STATE OF CALIFORNIA

MEETING OF THE

CALIFORNIA INSPECTION & MAINTENANCE REVIEW COMMITTEE

Tuesday, April 25, 2006

California Air Resources Board

1001 I Street, Coastal Hearing Room

Sacramento, California

MEMBERS PRESENT:

VICTOR WEISSER, Chairman

JUDE LAMARE

JEFFREY WILLIAMS

ROGER NICKEY

BRUCE HOTCHKISS

ROBERT PEARMAN

JOHN HISSERICH

MEMBERS ABSENT:

CHUCK FRYXELL

TYRONE BUCKLEY

GIDEON KRACOV

PAUL ARNEY

DENNIS DECOTA

ALSO PRESENT:

ROCKY CARLISLE, Executive Officer

JANET BAKER, Administrative Staff

STEVE GOULD, IMRC Consultant

INDEX **PAGE**

CHAIR WEISSER: Okay, I want to call this meeting to order. This is the Tuesday, April 25th, 2006, meeting of the Inspection and Maintenance Review Committee. I want to welcome everybody to this finally glorious semi-sunny day. We'll get a little rain this afternoon, but my sources tell me after this little drizzle that we might see this afternoon, that sunny weather is here to stay. So, welcome back to normal California. I want to welcome back also Jude Lamare after her trip to Mexico. She looks very refreshed, which is big trouble for the rest of us. If we can, let's do introductions so that the transcriber can get this into the record. We'll start from our far left.

MEMBER NICKEY: Roger Nickey.

MEMBER HISSERICH: John Hisserich.

MEMBER LAMARE: Jude Lamare.

CHAIR WEISSER: Vic Weisser.

MEMBER WILLIAMS: Jeffrey Williams.

MEMBER PEARMAN: Robert Pearman.

MEMBER HOTCHKISS: Bruce Hotchkiss.

CHAIR WEISSER: Okay, we are missing, as you can tell, five of our Members who are absent for a good reason. Those are Tyrone Buckley, Chuck Fryxell, Gideon Kracov, Paul Arney, and Dennis DeCota. However, the seven of us here, we do constitute a quorum and will be able to conduct whatever business is necessary.

- o0o -

And the first item of business is to request approval of the minutes for the March 28th, 2006, meeting. Has everyone had a chance to review those minutes? Are there any questions or comments associated with the minutes? Then I'll receive a motion for approval of the minutes. John Hisserich has made that motion and seconded by Jeffrey Williams. All in favor of adopting the minutes as submitted, please signify by saying aye.

ALL MEMBERS: Aye.

CHAIR WEISSER: Anyone opposed to that? Hearing none, the minutes are adopted. Jude Lamare indicates that she has to abstain since she was not at the meeting and obviously hasn't read the transcript word-by-word to bring herself up-to-date.

MEMBER HISSERICH: And just for the record, while I was not physically here at the time, I did watch it on the simulcast.

CHAIR WEISSER: How does that work, John? Is it -

MEMBER HISSERICH: It was actually quite good.

CHAIR WEISSER: Any advice you want to give to us up here as to behavior that -

MEMBER HISSERICH: Yes, we can just all stay home and do it all in simulcast.

CHAIR WEISSER: The jury will disregard that comment.

MEMBER LAMARE: Mr. Chairman, I did read the transcript, so if that's all that's required to vote on the minutes, then I can be recorded as aye vote.

CHAIR WEISSER: Thank you. Jude, you are religious in your commitment to this effort and I am appreciative, as are the rest of the Members of the Committee and the staff for the time and energy and leadership that you've shown while you've been on this Committee.

MEMBER LAMARE: Thank you.

CHAIR WEISSER: We're going to do our Executive Officer's Activity Report with particular emphasis on spending quality time on a letter that we've been working on for quite some time in response to an inquiry by Assemblywoman Horton. But I would ask, at this time, Rocky, for you to begin your normal report.

- o0o -

MR. CARLISLE: Thank you, Mr. Chairman. This last month, I attended a couple of the meetings that BAR put on. They were put on by ARB and BAR concerning the fuel evaporative procedure we want to implement as far as the component for Smog Check. And the meetings were well-attended, even on a rainy night, here there was probably 60 people in attendance. In Los Angeles, there was probably over 100 people in attendance. They had a lot of good comments. For example, one recommended the idea of if you didn't want to

test older-model year vehicles, i.e., ’95 and older, that would it be possible to test only newer vehicles and not buy the equipment. So, BAR is considering that recommendation. Of course there was one gentleman that suggested they eliminate that test and just offset the inspection cost to raise $2.5 billion to offset transportation funding, and that way they didn’t have to do it.

CHAIR WEISSER: Rocky, I don’t understand.

MR. CARLISLE: His comment was what happens if we don’t do this test. And what’s in jeopardy, of course, is $2.5 billion in transportation funds from the federal government. So, he suggested just increasing the inspection certificate cost to compensate for that, which brings it to a mere $300 per certificate.

CHAIR WEISSER: Did he write a check on the spot?

MR. CARLISLE: He didn’t. The other thing is, I had to attend training on both -

CHAIR WEISSER: Rocky, before you leave that subject, I’m particularly interested in getting a good understanding of any substantive questions or concerns that were raised by members of the industry, in particular, associated with any problems that they anticipate in terms of the actual application of the clamps and whatnot on cars or light duty vehicles, concerns associated with the damage that putting clamps on, or that the test itself as a whole, might cause

to consumers. Was any discussion at that meeting held on that subject?

MR. CARLISLE: Yes. The biggest concern was the return on investment as you might imagine, which is a reasonable concern on the part of industry. They're concerned about the case of diminishing vehicles in that vehicle fleet, the fact that they only have a couple of years to recoup their investment in that piece of equipment that's going to be somewhere between $2,000 and $3,000.

CHAIR WEISSER: Why is it only a couple of years?

MR. CARLISLE: Well, their concern is if the fleet is going to continue to diminish and there is an attrition rate of about nine percent per year. So, as time goes on, there's going to be fewer and fewer. The statistics that BAR gave is there's going to be about an 11 percent fail rate based on a little over five million tests per year on that particular fleet. So, there's a significant number of vehicles to repair out there. I don't think anybody's run the numbers of actually what the industry would recoup at this point in time.

CHAIR WEISSER: Well, that sort of analysis, I think, might be very helpful for us to have. I'm frankly less interested in anticipating the repair costs that might ensue due to failing vehicles and then trying to guesstimate what the profit margin might be on those repairs. I'm more

interested in getting a better sense of the increase in the actual Smog Check inspection charge that you would expect shop owners to build in, in order to cover both the costs of the labor associated - the extra labor associated with the test, and to amortize the equipment. And perhaps when BAR comes up to give us their report, they might mention if they've done that analysis and how that analysis has been received by the industry. Please continue.

MR. CARLISLE: As far as the test time, they estimate approximately eight minutes. That may be reduced with a final piece of equipment they indicated at the first meeting, as far as the test time. The question is, can they do anything else while that particular test is going through its function. So that is, I think, undetermined at this point in time. The other thing they were concerned about, some were concerned about pinch points and hoses being damaged. And BAR has done a significant amount of work. They've done 1,500 tests with ARB, I believe, there were 4,000 tests done previously, and the number of damaged hoses are very, very small. I think in the first sample of 4,000, it was two hoses that were damaged, and I think in the second sample of 1,500, it was only a couple, two or three, hoses. So, it's a very small number of damaged components. Another issue they brought up is the fact that this test does not check the purge system, but even the federal

government has given up on that because there's too many variables involved in trying to test whether or not the purge system is going to operate or not. The purge system is what actually cleans out the canister, the charcoal canister, after the vehicles starts. There were two concerns; one was that there were too many variables as far as when the purge ran, the purge test ran - or not the purge test, but the purge cycle ran, and also, that's a very intrusive test and they had a habit of breaking components because they'd actually have to plug in other devices. They actually abandoned that a number of years ago. And other than some general complaints about - it kind of ran the gamut. They alleged that BAR wasn't listening. Well, I would submit to you that BAR was having three meetings specifically to listen to them. But, there were other issues about the BAR '97 equipment and certification standards that had nothing to do with the fuel evap.

CHAIR WEISSER: Do you know if BAR will be preparing a summary report of these meetings that would identify the issues that were raised and their responses?

MR. CARLISLE: They indicated they would, yes.

CHAIR WEISSER: Okay. That's great. Any questions on this item from any Members of the Committee? Move on, please.

MR. CARLISLE: Okay, the other issue was with regard to Public Records Act request. Early in the year, the auditor

conducted a number of audits of various state agencies and found a number of agencies, including the Department of Consumer Affairs, somewhat deficient. And so, we all had to attend PRA training. I went through it yesterday and our names are being given to the Governor's Office and they're taking this real serious. A number of issues with regard to PRA requests is that they can also be (inaudible) they don't have to be written. If we submit something to a state agency, for example, like a work product that's not ready for public disclosure, we can, in fact, get an agreement from them not to disclose and it no longer becomes public information. It's only public information when we give it to a public member. The Committee is not included in that during their meetings, because they're actually working for the State at that point in time. However, interestingly enough, the legislature, if we give it to the legislature, they are public members. There's some issues with regard to the PRA, but the biggest issue is they'll want a prompt response within 10 days. If it's going to be longer than that, we have to respond to them how much time we need and we can charge for the PRA request.

CHAIR WEISSER: Do we get many of these?

MR. CARLISLE: We've only had one or two.

CHAIR WEISSER: Okay.

MR. CARLISLE: And actually it's been information for other agencies that we've accommodated, a couple of people that requested that information.

CHAIR WEISSER: Well, I take this act, this requirement, real seriously. I think it's very important that we, as a part of government, act in as open a fashion as possible and be as responsive as possible for inquiries from the public for records. Having said that, I also think that there are times, and we'll experience one today, where we're not going to be sharing stuff and that's work in progress. I know if I were on the other side of this dais, it would be very frustrating to me to have a bunch of people up here talking about something that - a letter we're working on that you don't have. But, it's important for us to have that opportunity to work together on a draft prior to it hitting the streets. Some sort of balance has to be struck and I just want to make sure on the formal requests, Rocky, that we receive it and we respond according to the spirit, as well as the letter of the requirements. Thank you.

MR. CARLISLE: And for the training requirements, I'm putting together a log and a system so that we can respond in a timely manner and keep track of it.

CHAIR WEISSER: Very good.

MR. CARLISLE: At the last meeting, the Committee voted to support AB226, which was a piece of legislation, so in your

packet under Item 2, it's actually the second letter, is a letter in draft form to Assemblymember Bermudez in support of AB226. That's the one that creates the automotive career and technical education account. So, that's in there for your review. We also -

CHAIR WEISSER: Excuse me, Rocky, may I ask why we need to come back to the Committee once the Committee has taken a position for approval of this letter? It seems to me to be much more efficient if you draft a letter following a Committee decision and I signed it out. It would just be faster and the legislative process is such -

MR. CARLISLE: In all honesty, I just got it done yesterday, so I threw it in here in case you wanted to look at it.

CHAIR WEISSER: You're fired. No, it's just an FYI. Thanks very much, Rocky. I guess I'm trying to forewarn Committee Members not to expect to - we need to move these things out on a rapid basis once we've made a decision. Thank you, please continue.

MR. CARLISLE: We also received a letter from CAPCOA with regard to Chuck Fryxell, who was the appointee by Governor Schwarzenegger for the ACO position on the Committee and they've requested that since he is now retired that he no longer qualifies for that position as did his predecessor, Norm Cavell (phonetic), and so they're asking for his replacement.

CHAIR WEISSER: Let me say a couple of things about this. First of all, I'm awfully sorry we've never had the opportunity to work with Mr. Fryxell. From everything I've heard, he is a terrific guy. I congratulate him on his retirement. Secondly, I, just on the record, want to compliment CAPCOA for writing this letter. I think it's terribly important that the Administration make an appointment of an Air Quality Control Officer to this Committee as soon as possible. I have been in contact with Governor's appointments office. They indicate a real desire to make that appointment. They have names and they're going over them as we speak. I'm hopeful that they'll be able to move with all deliberate speed and get that person on this Committee. We need that expertise.

MR. CARLISLE: Okay, the other thing is Steve Gould and I have been working on the IMRC report, but I've got to be honest, I've let the Horton letter take precedence because I think we have to get that out and back to the legislature. And so, while we have worked on it, I did not include that in the Committee Member's pamphlets this month. And the other thing with regard to that, I was going to request that if at all possible, we cancel the May meeting and that would give me that period of time to complete the draft of the IMRC report and submit it to the Committee at the June meeting.

CHAIR WEISSER: Well, let's have a discussion on that. What are Committee Members' feelings regarding the desirability of canceling? This is the first I've heard of this, I should mention, and it seems to me like it would be a good idea if this will allow you to focus more time on getting this package put together. And I recognize a lot of time is required just for the care and feeding of the Committee and our meetings and anything that would - if that would be a substantial relief to you to help you and Steve and Janet put together the draft, I would be in favor it.

MR. CARLISLE: Absolutely, considering pre- and post-meeting activities, it does take a considerable amount of time out of the month that I could actually work on that report. And the other thing, of course, has been the Horton letter. This is assuming we can get the Horton concluded as well.

CHAIR WEISSER: Well, let me ask the Committee Members their views. Is there anyone that would object, that has a concern about canceling the May meeting? Jude?

MEMBER LAMARE: Given how much time it's taken to get the Horton letter out, I think we really have to do that. But, I would request that the draft report be submitted to Committee Members well in advance of the June meeting so that we can provide feedback and not end up sitting here looking at a draft report in June that still needs a whole lot of work.

MR. CARLISLE: That was the other consideration - to make sure you had it about two weeks prior to the meeting.

CHAIR WEISSER: Well, let's make that so. On behalf of the Committee, then I would direct you to issue a notice that the May meeting is canceled and also requested that no later than two weeks prior to the June meeting, whatever the status of the report is, a draft be sent to each and every Committee Member. If it would be helpful to you to circulate earlier drafts for feedback to Committee Members, that would be cool, too. You don't need to wait until two weeks and, in fact, if I were in your shoes, I would be throwing stuff out just to get some early feedback, as early and often as I could.

MR. CARLISLE: I was going to send it to the Subcommittee so we could actually get together on conference calls, if necessary.

CHAIR WEISSER: Very good. Could you remind me who's on that Subcommittee?

MR. CARLISLE: Because I didn't bring the report, I didn't bring the Subcommittee listing, either.

CHAIR WEISSER: God, you are so fired, Rocky.

MR. CARLISLE: I can bring it up on the Internet, though.

CHAIR WEISSER: Oh, okay. Well, when we get a break, check it out. I'd like to know. Do you remember Jude?

MS. LAMARE: Well, there are several Subcommittees.

CHAIR WEISSER: Yes, so give me a list of who are the active ones on this. Very good. So we will, folks, not have a May meeting. The June meeting, obviously, now will be focusing an awful lot of our time and attention on the review of the draft report.

MR. CARLISLE: And finally with regard to the Horton letter, I have put a copy of the last draft of the Horton letter in here. I have met with BAR and ARB on -

CHAIR WEISSER: Rocky, let me interrupt you. Before we get into the meat of this letter, there's an announcement that I'd like to make. I don't want to lose the opportunity to do that while the Committee has a quorum. And I'd really let you know rather than perhaps hearing it in the street or reading it in the above the fold of the Sacramento Bee, I'm being facetious, that I have informed my Board of Directors of the Board of the California for Environmental and Economic Balance that I will be leaving my position there at the end of the year. I have worked there for 17 years. It's been a fabulous job. It's an awfully difficult decision for me because it's not like I'm walking away from something I don't like. I love the work and love the people I work with and really enjoy the issues that I've dealt with. But, I think it's just that point in time where it's time for me to do something different. And I have no clue what that something different is, other than playing my

violin and doing my bird watching and writing the great American novel. We will see what unfolds. It will be awfully hard for me to keep my fingers out of these wonderful public policy issues that the Committee deals with and members of public who are here deal with, because they are engaging issues. But I think if I do get involved in that, it will be at a seriously reduced time commitment and from a different vantage point. So, I just wanted to let the Committee Members know that before they might hear from another source. I've truly enjoyed my time here and that may continue. Well, it will continue at least until August. August, I believe, is when my appointment runs out.

MR. CARLISLE: You don't have to leave until you're reappointed or replaced.

CHAIR WEISSER: Well, we'll just cross those bridges when we get closer to them. So, I just wanted to say that before we get into the Horton business. Okay, please?

MR. CARLISLE: Okay, again, with regard to the Horton letter, as I said, I've met with ARB and BAR on this issue. It's gone through revision 475, I believe, at this point. I had included the attachments, the excerpts from the various reports that we use to research some of these issues, and all that is in there including the August 17, 2000, letter to the EPA from ARB and BAR. We do have two other presentations today and given the fact that we lose a quorum

after 12:00 that might change the sequence in which I originally thought this would go. So, maybe we want to address the Horton letter first.

CHAIR WEISSER: I'm fearful that we must do that. The fact is that considering we are missing five of our active appointed members and regardless of what we do here today, I'd like to circulate the product of our efforts today to the full Committee once again, and then send the letter out. It's not something that we need to - it's just a letter, and we'll send it out based upon the comments that we receive and the judgments that you, Rocky, and I will have to make in terms of what should be the content of the letter. That being said, this letter as everyone who's been involved in discussions in the past is on an extremely touchy subject. It's a subject that has been full of controversy and has placed members of the industry at odds with another at times. It's extremely important that each and every word in this letter is clear and put together in a way that both readers knowledgeable about our subject and readers who might be lay people will understand. And I have to say that I just returned from a trip from New York and have not had a chance to review this latest draft and I'm wondering if we should take a five-minute break to read this completely through, identify the sorts of changes that we think might

be necessary before actually start discussion in any depth, Rocky.

MR. CARLISLE: That would be beneficial because I have made some significant edits in some parts because I've done two things; one, I've tried to bring the actual answer to the very front. I have a habit sometimes of going through too much explanation before I reach the answer, so Gideon Kracov did mention that would be a good change to the letter last month. I've done that. And in some cases, I've just eliminated a lot of the additional explanation, if you would. It became somewhat verbose, if you will, in parts of the letter.

CHAIR WEISSER: Then if there's no objection, then, what I'm going to suggest is that we each as quickly as we can spend a little time reviewing the letter to identify areas that we want to talk about. And then what we'll do is go through this letter page by page and suggest editorial changes or changes in substance that need to be made. Okay?

MR. CARLISLE: I will mention, too, that per the revelations with the PRA training I took yesterday, that I did provide BAR a copy of this as well, BAR and ARB, but I don't believe ARB is here today. No, they're not.

CHAIR WEISSER: Jude, could you hit your button?

MEMBER LAMARE: On that subject, I understand that ARB was not present at the March meeting, not present today, and I would

like to request that the Executive Director specifically invite ARB to each of our meetings and request that they be here.

MR. CARLISLE: I did talk to Tom Cackett last month about that and he's still working on appointing a full-time liaison for the IMRC.

CHAIR WEISSER: This is someone to replace Sylvia?

MR. CARLISLE: Yes.

CHAIR WEISSER: Yes, I ran into Sylvia in the hallway and congratulated her on her promotion, but it certainly is important that ARB be at these meetings. I'm very surprised they're not.

MR. CARLISLE: Sure.

- o0o -

CHAIR WEISSER: Okay, we'll begin this laborious task of publicly group editing a seven-page single-spaced document. Are there any comments anyone would like to make before we start overall, on overall issues? Yes, Jeffrey?

MEMBER WILLIAMS: I guess this qualifies as an overall issue. I don't see, as there was in the previous draft, any discussion of so-called volunteers to test -

MR. CARLISLE: The only discussion is in a quote from the SIP and I tried to again keep this as short and concise as possible because after re-reading this numerous times, I think the reader would kind of get lost in what the original

question might have been because I did get a little bit long on some of the responses. I mean, wanting to give enough information, but I think it's more important to really respond to the question itself, and then put a little bit of background in each one of them. Some of them were over a page just for the one question.

MEMBER WILLIAMS: I agree with those objectives, but there was substantial ambiguity in the documents about whether the 36 percent included the volunteers or not, which is a very different interpretation of what is needed to be directed.

MR. CARLISLE: The SIP's intention was to include the volunteers. The reality is that 36 percent does not.

MEMBER WILLIAMS: And I think that's a very big issue.

MR. CARLISLE: And I think there would be - you could argue either way because the real intention of the SIP was a SIP goal, not (inaudible) of the SIP. The SIP outlined a number of measures to take, but the real meat of a SIP is what is the SIP goal? How many tons do we need and the bottom line is the State is on the hook to take whatever measure is required to meet those SIP goals.

CHAIR WEISSER: Rocky, I think Jeffrey has raised an issue of import because I do think it's part of the controversy and I think we need to be upfront and address it in that context. The place - I'm just wondering where the best place to

insert a paragraph describing the approach that is used now versus that alternative aspect.

MEMBER LAMARE: Question.

CHAIR WEISSER: Excuse me.

MEMBER WILLIAMS: I think in question four, just a few sentences saying how to count the volunteers is an issue.

CHAIR WEISSER: I think that's all the answer we need to do. We need to highlight to the author and any readers the scope of the controversy. Okay? We're going to go John, and then we're going to go Roger, then we're going to go Jude. John?

MEMBER HISSERICH: I think it would be helpful at some point - I looked this over pretty carefully, to just tell the audience, the reader, how many cars there are in California. We talk in terms of percentages, but the denominator is a little bit elusive. Now, it may be in there, but I think -

MR. CARLISLE: It's not.

MEMBER HISSERICH: The overall population of cars, because I was sitting here kind of doing the backwards math, so at some juncture, again, maybe just a contextual of statement of the total number of cars.

CHAIR WEISSER: Thank you. Roger?

MR. NICKEY: Well, my understanding is the 36 percent is supposed to be made up of potential high emitters, wherever they fall on the grading. Volunteers don't necessarily fall in that, so I don't understand why we would take vehicles

that - and I would offer that most of the volunteers are not in the high-emitter profile.

CHAIR WEISSER: I just want to make it clear. In this letter, we are making no recommendation one way or another. What we're trying to do is report the facts as associated with how the program is administered and identify areas where there are issues without - we have not been asked to take a position. If we want to have that discussion, we can. We'll get this letter out sometime next year. What I'd suggest at this point in time, what we'll do is just report factually, here's how the system works, here are the areas of potential conflict or disagreement.

MR. CARLISLE: If you'll look at the SIP, the SIP is actually - the HEP was the last thing mentioned in the SIP. Volunteers were far ahead of that, as were annual inspections for gross polluters and a number of things. But the HEP was the last thing mentioned in the SIP.

CHAIR WEISSER: The 34 percent of the 36, it should say - yes, 34 percent are HEP-directed, two percent are random sample. Above and beyond that, you get volunteers. There is some question as to whether one could choose to include volunteers. The object of the SIP in and of itself, and correct me if I'm wrong here, isn't 36 percent or 15 percent or 21 percent, it's X-number of tons of reduction. Regardless of the mechanisms that are used to identify, it's

how many tons of emissions reductions can you get out of the Smog Check Program. If it does come from HEP-directed vehicles or volunteers, I don't think it matters.

MR. CARLISLE: No, it doesn't because the SIP, the '94 SIP identifies a number of different fleets. In fact, if you look on Page 5, it's quoted under question five. That portion of the SIP that relates to vehicles that are going to be directed. So, for two percent random sample, high-mileage fleet vehicles, vehicles for hire, annual test for two to five years, vehicles previously identified as high-emitters, likely high-emitters identified through remote sensing and with test-and-repair stations and motorists voluntarily choosing to go to test-only stations. Then it only goes on at the last sentence to say the remainder of the capacity it will use to meet performance standard through the HEP. So, it's really all these other issues before it gets to the HEP.

CHAIR WEISSER: Well, I'm not sure of the fact that there's any order of any importance.

MR. CARLISLE: No.

CHAIR WEISSER: I would not agree with that. The HEP is one of the factors that, as I understand it, that's built in. But, it's all in the tons of reductions, maybe not necessarily in the percentage of cars directed. If you could somehow identify through a 15-percent direction of vehicles enough

tons of savings, you would not have to go to 36 percent or 25 percent or whatever. It's tons of emissions that you need to generate through the Smog Check Program. At least that's my understanding. That's why I wish there was someone here from ARB to make sure that I'm not off the farm.

MR. CARLISLE: I did meet with ARB staff on this issue and that was the exact comment, was that forget the little intricacies of the SIP. It's really the SIP goal of tons of reduction.

CHAIR WEISSER: Yes, and there are several times in here where you kind of use different terms. We'll go through this in detail later. Did I respond adequately to you, Roger?

MEMBER NICKEY: Yes, are we saying then the rank is weak as possible to substitute a low-emitter for a high-emitter? Because what you're saying is, if you're just going to say 36 percent and you're going to take the volunteers in that, most of the volunteers are low-emitters.

CHAIR WEISSER: No, I'm not saying that, but somebody else might.

MEMBER NICKEY: Okay. I did have one other comment, but you keep bringing up performance, performance, performance. Nobody has stated what performance standards are. My understand is it's all failure rate.

CHAIR WEISSER: We're going to get to that.

MEMBER NICKEY: Okay.

CHAIR WEISSER: I think that - I agree that you use that term somewhat loosely and I think we need to be real clear in this document on the terms that we use. Jude? Overall comments at this juncture?

MEMBER LAMARE: Overall, I'm with Roger on this one. I can see the volunteers playing a role in the SIP. I think if we're going to get down to this level of detail, we're going to need ARB to come in and talk to us and I did not understand that there was an issue with volunteers being counted as part of the directed vehicles. The purpose of direction with high-emitters, plus the random samples so we could study how things are going with the program - so I'm satisfied with this letter the way it is.

CHAIR WEISSER: Thank you. I think you are correct that the purpose, the reading, that ARB and BAR have is consistent with what you just said. Use the high-emitter profile as the principle device to direct vehicles that are more likely to fail to test-only stations. However, over the time that I've been on this Committee, I have heard in meetings and outside others who say, there's nothing that requires that. Why shouldn't vehicles who volunteer be counted as part of the agreement between the feds and state? I'm making no judgment on that. I personally could care less. My interest is tons. And, in fact, were I pushed up against

the wall and asked how should vehicles be directed, I would end up at starting our discussion with my ears open to hear other people's views saying vehicles are to be directed on the basis of station performance. And how do you define station performance? We can spend a long time talking about that. What do I care, I don't care if it's test-only or test-and-repair. The stations that are doing a good job should get the business. Okay. Any other overall comments? Okay. I'm going to now go through this, painfully, folks, page by page. So are there any comments anyone would like to make on the first page? Hearing none, are there any comments, I'll make some, on the second page? Rocky, don't laugh, but in the interest of wordsmithing, in the first full paragraph, you start off after long and protracted, I think you can get rid of long and. I think it's just repetitive. Okay? On the third paragraph, Rocky, you start off by saying, this hybrid approach will have less disruption of the existing test-and-repair-based program. Less disruption than what? Is it less disruption than the initial U.S. EPA requirement or proposal?

MR. CARLISLE: Yes.

CHAIR WEISSER: Which - was that a requirement or a proposal?

MR. CARLISLE: I think it was a proposal to contract test-only.

CHAIR WEISSER: Thank you. So, we need to just complete that thought. Continuing in that paragraph, the next sentence

goes, blah, blah, blah, could achieve the same emission reductions as the U.S. EPA - and you use the word, required. Was it required or proposed? You just said it was proposed, so which is it? Is it proposed or required?

MR. CARLISLE: Proposed.

CHAIR WEISSER: Okay. Continuing in that paragraph, you have the percentage of, quote, most likely to fail, unquote, vehicles was determined by modeling and found to be approximately 36 percent of the fleet. Here's where I believe it's important for us to insert the phrase, needed to achieve the program goal. So the percentage of quote, most likely to fail vehicles, and then I would insert, needed to achieve the program goal.

MR. CARLISLE: Where are you at, I lost you.

CHAIR WEISSER: I'm on the fifth line of the second full paragraph, the next to the last sentence. It reads right now, the percentage of most likely to fail vehicles was determined by modeling and found to be approximately 36 percent. But, the key here is that that percentage was chosen because that was what they believed would be needed in order to achieve the program goal of emissions reduced in the SIP. Now, if I'm wrong on this, we have to take a couple of giant steps backward, but I'm pretty sure that's how this thing is structured. Am I being clear?

MR. CARLISLE: Yes.

CHAIR WEISSER: Okay. I will continue. The next paragraph, the last line, you talk about emission reduction of goals, it's a new phrase. First we've been using requirements and now - are these goals, emission goals, set forth in the SIP to meet U.S. EPA requirements? You're using a lot of terms pretty loosely here and I'm not happy with that. So, I'm wondering if you could work with ARB to get the exact, correct nomenclature.

MR. CARLISLE: Yes.

CHAIR WEISSER: Okay. I think that they are called program commitments, but I'm not sure, so you need to get the terminology really straight on this.

MR. CARLISLE: Okay.

CHAIR WEISSER: I'm going to take a breath up to this time. I have comments from the remaining paragraphs, but are there any other comments on these first three full paragraphs on Page 2 from anyone? Yes, sir?

MEMBER NICKEY: You came up with all this in five minutes?

CHAIR WEISSER: Yes, sir. On the next paragraph, you start off by saying the Bureau of Automotive Repair began promoting the test-only licensing concept and I don't know what you mean by promoting, but the word bothers me. So, what did you mean to say here, Rocky? They began educating the industry or they became -

MR. CARLISLE: Essentially, trying to sell the concept to the industry because it was all voluntary. Nobody was required to open up a test-only station and the initial concern was that nobody would.

CHAIR WEISSER: Excellent. Why don't we start that sentence with something like, in order to develop the necessary number of test-only stations, the Bureau of Automotive Repair began, blah, blah, blah, okay? And you can use the word promoting. And one other thing, Rocky - throughout the document you go back and forth in saying BAR and Bureau of Automotive Repair and I would suggest that what you do is spell the full BAR out, the Bureau of Automotive Repair, then in parens, BAR, and then from then on, consistently use the initials. And the same thing with ARB and the SIP, because you go back and forth and I think it would be easier for the reader if you were consistent.

MR. CARLISLE: Okay. What I was trying do is if I start off a sentence with BAR, I didn't feel it was grammatically correct to use the acronym. Do you - would that -

CHAIR WEISSER: I don't know about the - that's fine, I don't know that that's a big deal.

MALE: If is was there before, it's okay.

CHAIR WEISSER: Right. In that paragraph, the last sentence states, however the 15 percent originally directed to test-only stations was an interim target since the SIP goal was

36 percent. And once again, I don't know if that was a SIP goal. I think the SIP goal is the tons of emissions they're trying to get and the 36 percent was the figure that they estimated using the HEP that they would need to direct in order to generate those tons. Do you understand my concern here? I just think we need to be very precise in this letter. I can guarantee you that 10 years from now, Charlie Peters is going to be saying this letter contained this wording and why isn't it being followed? There are people who follow this very carefully. I want to be very particular.

MEMBER LAMARE: Thirty-six percent does show up here.

CHAIR WEISSER: Jude, why don't you turn your microphone on if you have -

MEMBER LAMARE: I agree with you, Mr. Chairman, but if you look at Attachment 1, which is the network type and program evaluation from the 1994 State Implementation Plan, it says the test-only network will consist of this and this report indicated the State may need to test up to 36 percent of the fleet annually in enhanced areas to meet the emission reductions identified in the SIP. So, I don't think Rocky is too far away from the text of the SIP.

CHAIR WEISSER: Oh, no, I think he's on target. I think the wording, the choices, that he's using are off and that's

what I'm trying to focus on and I think what you just read is indicative of the fact that the words are different.

MR. CARLISLE: Yes, I would agree.

CHAIR WEISSER: That's also the very first time, I believe, in the letter that you mention the SIP, Rocky, and while you go into considerable detail as to what the SIP is later in the letter, two things; first I think you need to spell out SIP the first time you use it; and, secondly, I would - oh, I'm wrong. Jeffrey points out on the very first page, you mention SIP. But I think right up here you need to - I'm suggesting this, I don't know - but you need to explain to the reader what's a SIP in one sentence. And you do that, I think, very well on the next page when you go into what is the SIP and your second sentence is a very concise and complete description. The SIP is California's commitment under the Federal Clean Air Act to implement measures in order to meet Federal Air Quality Standards. Okay. Then we say, however, well, I just want to read this. These no-show vehicles never appeared at test-only stations due, in part, to transfers in vehicles, vehicles being out-of-state, vehicles being junked and vehicles placed in non-operational status. However, the 15 percent originally directed to test-only stations was an interim target since the SIP goal was 36 percent, and I guess I just don't understand what we're trying to achieve here.

MR. CARLISLE: Might I suggest we strike that sentence on re-reading it.

CHAIR WEISSER: Yes, that's the impression I had. In the next paragraph, the second sentence reads, the shortfall result of any SIP update. And my only question here is, is the word update the right term?

MR. CARLISLE: Yes, that is right from ARB.

CHAIR WEISSER: Thank you.

MALE: What page are you on?

CHAIR WEISSER: I'm on Page 2. I'm sorry I'm slogging through this, but I don't want to tell you how much time we've spent on this and we only have a certain amount of hours that we get together and we've got to get this darn thing done.

MR. CARLISLE: The SIP update, just so you know, is an informal agreement between Cal EPA and EPA.

CHAIR WEISSER: See, I don't think there could be such a thing as an informal agreement. I think these - if these things are on the one hand, the State is required to do them, then they're not informal. So, I'm confused.

MR. CARLISLE: Well, that was the word I got from ARB and their SIP folks.

CHAIR WEISSER: Well, I don't believe it, so I want more clarity on that. I don't think there's such things as informal agreements in the wonderful world of air quality regulation. Jude?

MEMBER LAMARE: Thank you, fine Mr. Chairman. In the attachments are the letters from the head of ARB, the executive director to the regional administrative EPA and (inaudible) which lays out the refinements on the SIP and the agreement between the agencies and what they're doing and this had to do specifically with the threatened conformity lapse, so there's lots of documentation here detailing what this is all about. It isn't just a phone call made from a couple of people and this letter includes these documents as attachments, so I think in helping all of us to become more educated and understand the SIP process, I believe these letters are binding.

CHAIR WEISSER: I do, too.

MEMBER LAMARE: I believe that there were lawsuits filed and withdrawn as a basis of these, so this is part of the record.

CHAIR WEISSER: That's my understanding, that's why I don't want to call them or make any reference that they're informal. I think these are formal updates, formal agreements, between the State and the Feds, okay? And I'd like you to check that and confirm that and let's say that.

MR. CARLISLE: Okay.

CHAIR WEISSER: Otherwise, people will have the absolute right to say, well, if this isn't binding, then what the heck are you doing it for?

MR. CARLISLE: Well, I think when I used the word informal, I wasn't necessarily meaning it wasn't binding. It was simply, it wasn't the normal SIP procedure.

CHAIR WEISSER: Fine. That's some good clarification. John?

MEMBER HISSERICH: Yes, if I may. I know this is jumping ahead just a bit, but in the middle of Page 6 does it describe why test-only stations are alleged to have some superior or less bias or whatever you want to characterize it, than test-and-repair. It seems to me since we've plunged into this whole issue of sending things to test-only, it might be useful to say earlier in the document or make the statement as why test-only enters into this. As you point out in the middle of Page 6, because this type of station is believed to provide the most unbiased testing, and so on. Because, up to that point, one might fairly ask, well, what's the difference, what are they, and we haven't said that anywhere.

MEMBER WILLIAMS: I'm going to rescue Rocky. Yes, he did. When it changes from Page 1 to 2.

CHAIR WEISSER: On the last full sentence on Page 1 leading into the first paragraph of -

MEMBER HISSERICH: Okay, I beg your pardon. All right, more effective. I beg your pardon. Okay. I stand corrected.

MR. CARLISLE: I was waiting.

MEMBER HISSERICH: All right.

CHAIR WEISSER: Thank you. Thank you, Jeffrey. Continuing in this paragraph, this last full sentence in the paragraph was one of those improvements was to increase the percentage of directed vehicles to test-only from 15 to 36 percent. The same figure indicated - now what does indicated mean? It says indicated - is that the same figure used in the - okay. In the ’94 SIP, right, in order to achieve emission reduction goals. Now that I think, is an accurate reflection of what these percentages are. They’re to achieve emission reduction goals. So the 36 percent, Rocky, as I understand it, isn’t per se a SIP goal. It was a mechanism -

MR. CARLISLE: To achieve -

CHAIR WEISSER: - to achieve the goal, right?

MR. CARLISLE: Correct.

CHAIR WEISSER: All right. Are there any other comments or questions on Page 2? Good. On Page 3, the first paragraph - and this is repeated another time in the paper, Rocky - we ask you to post the 3.3 tons per day of reduction through these program changes in context, and the number that you came up with was 204 tons per day. The only problem that I have, Rocky, is that the 3.3 tons is South Coast and the 204 tons is statewide. Is there a way you can have either South Coast or statewide for both figures?

MR. CARLISLE: I can look up South Coast. They don't have statewide for that improvement.

CHAIR WEISSER: Why?

MR. CARLISLE: That I can't tell you. I would have to ask the question.

CHAIR WEISSER: Okay, well, let's try to use the same - it's apples and oranges as you currently have that sentence.

MR. CARLISLE: Yes, I understand.

CHAIR WEISSER: Okay. Moving along. The first sentence in the item under SIP - make it the second sentence. You say the SIP is California's commitment under the Federal Clean Air Act to implement measures in order to meet. The measures are implemented in order to meet, the measures don't meet federal standards, federal air quality standards. It's the results of the measures, okay? I wonder, Rocky, in the middle of the paragraph, you say, much of California's SIP relies on a course of control strategies, blah, blah, blah. You kind of say that in the sentence before and I'm wondering if you can just eliminate that sentence. I think it's extraneous and you're talking about consumer products. I would just eliminate it. I'm going to stop at the State Implementation Plan. Are there any questions or comments up to then? Okay. In item number one, following that, the first question, the first sentence, I think, if I were you, Rocky, I'd break it into two sentences. After the test-only

stations, I'd put a period and then I'd go, however, comma, it also states - I think it will read easier. You then go on to say the SIP also obligates the State - I thought - does the SIP actually obligate the State? That's my question.

MR. CARLISLE: Okay, I need to modify that sentence.

CHAIR WEISSER: To be consistent.

MR. CARLISLE: In effect, to meet the SIP requirement of X-tons.

CHAIR WEISSER: Thank you.

MR. CARLISLE: Okay.

CHAIR WEISSER: I'm sorry I'm being nitpicky, Rocky, I'm just a nitpicker. That's just how I am. Are there any other questions or comments on this page?

MEMBER PEARMAN: Yes.

CHAIR WEISSER: Please.

MEMBER PEARMAN: I just thought that again on the one, the first, I guess two sentences of the first paragraph seem to me duplicative of the second paragraph. In each one you talk about capacity to test enough vehicles to meet emission reduction goals required by performance standards and then you say to meet emission reduction performance standards - that's in both paragraphs. Then you say, the SIP also obligates the State to direct 36 percent, etcetera, and the second paragraph you say the SIP identifies the 36 percent. It seems to me repetitive.

MR. CARLISLE: That is redundant, I think.
CHAIR WEISSER: Okay. However, I would somehow retain the reference to Attachment 1 and stick that in the first paragraph.
MR. CARLISLE: Yes.
CHAIR WEISSER: Thanks very much. You know, it's funny, the key paragraph in this is the last paragraph and I have no questions or comments on that. I think we finally have kind of phrased it better.
MR. CARLISLE: I would agree, but that wasn't the question. I think -
CHAIR WEISSER: I know.
MR. CARLISLE: - it's important she know that.
CHAIR WEISSER: That's okay. I think you've done that well. I think you need to add an S to opinion on the top of Page 4, first full paragraph, because you're talking about legislative council and/or the Attorney General and two different offices, so you might get two different opinions.
MR. CARLISLE: You bet.
CHAIR WEISSER: Okie dokie. On question number two -
MEMBER PEARMAN: Could I just add one on that point, too.
CHAIR WEISSER: Yes, please.
MEMBER PEARMAN: What begins on the bottom of Page 3, top of Page 4, about which results in a proportionally larger number of vehicles being directed to test-only stations as

compared to the number of vehicles actually due for a Smog Check inspection. I don't understand. Does that mean that more than 50 percent of the fleet goes to test-only or does it mean that more than 36 percent goes to test-only?

CHAIR WEISSER: Robert, I think first of all, the word proportionally is wrong and doesn't belong there. It's an actual larger number. It's not proportionally larger, it's a larger number of vehicles being directed to test-only as compared to the number of vehicles. So, maybe it's not larger, maybe it's -

MEMBER PEARMAN: We said more of test-only are due for inspection and that's the -

CHAIR WEISSER: It would be as compared to the number of - oh, I see.

MR. CARLISLE: Yes, I -

CHAIR WEISSER: Yes, it's worded awkwardly, you're right. Let's work on that wording right now.

MEMBER PEARMAN: If I may, Mr. Chairman, is that a point in which we might actually put a few estimated numbers in there just to give it a context?

MEMBER LAMARE: We did that and we took it out.

MR. CARLISLE: Well, then we get into -

CHAIR WEISSER: It wasn't in the last draft I saw.

MEMBER LAMARE: Yes, it was in the last draft.

CHAIR WEISSER: You thought it was confusing, Jude?

MEMBER LAMARE: Put it back in.
MEMBER PEARMAN: Well, I don't know. I'm just getting a sense of what we're talking about.
MR. CARLISLE: I spent probably three paragraphs explaining why that morphs, basically, into 48 percent, but I think there was some concern about that, but you think that ought to be back in?
MEMBER PEARMAN: So the point you're making was more than 36 percent actually goes to test-only, then.
MR. CARLISLE: It depends what your basis of calculating that number is. In other words, if you say, all vehicles subject to be a program in the enhanced area, 36 percent does this, but if you say only those vehicles really subject to getting a Smog Check for that cycle -
CHAIR WEISSER: Can I suggest that the wording be changed like this: Proportionally a larger number of vehicles being directed to test-only stations than would be direct if you utilized just the number of vehicles actually due for a Smog Check inspection. You got that, Rock?
MR. CARLISLE: Yes.
CHAIR WEISSER: Okay. I don't know whether it's best to use numbers or not use the numbers. There's a piece of me that thinks that seeing the numbers might actually be helpful. But, if you have to have three paragraphs to explain how to read it, it gets very unhelpful, so I'll trust Rocky's

judgment on that. Robert, did you have something else you wanted to add? Okay. And then number two, you have a sentence, Department of Motor Vehicles to issue the target, blah, blah, total number of vehicles sent notices to 2.6 million vehicle owners as previously mentioned the higher number of vehicles compensate for no-shows. And then you say the State needed to direct 2.6 million to ensure that two million vehicles were tested. I think that's superfluous. I think a reader will understand - I think you can get rid of that sentence. You then go on to the statement, however, two million vehicle figure cited by ARB did not include vehicles in the Bay Area, put a capital there before they shoot you in the Bay Area. And then since, it, had just become subject to, see what I'm talking about, Rocky? Instead of repeating, instead of saying that area, just say, since it, because you're referring right back to the Bay Area. Any other questions or comments on item number two? Okay, item number three. In the first paragraph, we have that South Coast - statewide base an issue that I'd like you to see if you can figure out a way to either use South Coast numbers or statewide numbers, Rocky. Follow what I'm saying?

MR. CARLISLE: Yes.

CHAIR WEISSER: Okay.

MEMBER WILLIAMS: Why are we saying the same thing twice?

CHAIR WEISSER: Why are we saying the same thing twice? Good question, Jeffrey.

MR. CARLISLE: Well, it was suggested that we get up front some of the difference in tons per day by implementing that increase and so that was in the paragraph previously, and now this is actually responding to that question. In other words, if you go back to Page 3, the top of Page 3 is where I mention it previously. And that was just some of the background, if you will, but that can actually be -

CHAIR WEISSER: Yes, I think we are stuck here, actually, in repeating ourselves.

MEMBER WILLIAMS: Okay.

MR. CARLISLE: Yes. We might get this down to six pages.

MEMBER PEARMAN: But, again, you had pointed out, Mr. Chairman, that you wanted to at least see if there's a way to make apples to apples in this section if possible, but -

CHAIR WEISSER: Yes, well, we have to be able to.

MALE: Well, maybe the point is that they didn't do it and raise some questions on how the numbers work. If that's what they did, that's what they did. I don't think we should create numbers.

CHAIR WEISSER: Yes, I don't want to create numbers, but they must have those numbers.

MR. CARLISLE: It's got to be somewhere.

CHAIR WEISSER: Yes.

MR. CARLISLE: I suspect if I look deeper in that report -
CHAIR WEISSER: Well, I would urge you to ask Tom Cackett and have him have someone look deep. The next paragraph in number three, it's stated in the '94 SIP, the emission benefits were models with this California I/M Fact - this is all gobbledygook to me. I want to try to make this more understandable. I suggest that you change it to read along the lines of, as stated in the '94 SIP, the emission benefits were estimated by a model or a computer simulation model using information known about the program at the time. This model uses information - I don't think it's necessary - I'm sorry?
MEMBER LAMARE: That's good.
CHAIR WEISSER: Okay. That's the only change I have there. We don't need to throw out all that. Any other comments on this one? Yes, sir, Robert?
MEMBER PEARMAN: Just the last sentence on that page, the aggregate emission benefits have not been quantified since 2000 and need to be recalculated. Is that editorializing or is that a legal requirement or is recalculation underway or what?
MEMBER LAMARE: I think we would like to see them be recalculated and reported to this Committee.
CHAIR WEISSER: And I -
MR. CARLISLE: Editorializing this.

CHAIR WEISSER: Well, I'll point out, this is one of the reasons why it would be good to have ARB in the room, that in the conversation that I had the day before I left for New York with Dr. Robert Sawyer, who's the chair of the ARB, guess what he said to me? Boy, I sure would like to have the benefits of the Smog Check Program quantified. I really think that's an area we're weak in.

MEMBER LAMARE: Good.

CHAIR WEISSER: I sure wish there was someone from ARB in this room, but maybe there's another agency person that might mention this to someone from ARB. Okay.

MEMBER PEARMAN: So, we're editorializing it.

CHAIR WEISSER: Let's change it. You're right, but I think we can say, the aggregate emission benefits of the Smog Check Program have not been quantified since 2000 period.

MEMBER LAMARE: To our knowledge.

CHAIR WEISSER: To our knowledge period. I would also add - and I want you to confirm this with Tom Cackett - we understand that such a quantification is now underway. Thank you for catching that. Top of Page 5. How many engines are required to be on the head of a pin. Okay. Rocky, third line, the sentence that starts with moreover. I should point out this is a personal peccadillo. Get rid of moreover. You then go on to say, the 2003 SIP revision states that the increase to 36 percent were improvements

made to augment Smog Check performance. Then it says, the SIP does not limit the percentage of vehicles directed to test-only. But I think on Pages 2 and 3 you said something along the lines that the SIP does limit it up to 36 percent, so -

MR. CARLISLE: No, I think it wants 36 percent, but there's no limit to how much you will direct to achieve the standard or the goal.

CHAIR WEISSER: Say that again.

MR. CARLISLE: It suggests that it may have to reach 36 percent to meet the emissions reduction goals required by the SIP, but it doesn't limit it to 36 percent, nor does the Health and Safety Code limit it to 36 percent.

CHAIR WEISSER: So you could direct 72 percent?

MR. CARLISLE: A hundred percent.

CHAIR WEISSER: To test-only?

MR. CARLISLE: Yes.

MEMBER WILLIAMS: Or 24 percent.

MR. CARLISLE: Or 24 percent. Whatever it is because it goes back again to the goal, because the SIP suggests that the number necessary would be 36 percent as a result of the (inaudible) report that was completed in 1995. But, again, it goes back to the SIP goal.

CHAIR WEISSER: I'm going to hang myself on this stuff.

MR. CARLISLE: I think we all will before it's done. But it started out as a minimum of 15 percent, but the SIP says that their estimate, based on the (inaudible) report, is 36 percent. But when you talk about, what if you had to go to 50 to achieve the emission reduction goals, there's no limit. It does not limit you either in State Health and Safety Code, nor the SIP agreement.

CHAIR WEISSER: Thank you.

MR. CARLISLE: And if that really doesn't add, I can certainly strike that because I think that in retrospect, it tends to muddy the waters in some respects.

CHAIR WEISSER: I don't know. It seems to me an important point that you've made, so I guess I'd argue to keep it in, Rock.

MR. CARLISLE: Okay.

CHAIR WEISSER: Any other questions or comments on item number four? On item number five, Rocky, in the interest that you said you wanted to get answers up front, what I suggest you do is that last sentence on the page, based on the explanation, I would just say, BAR directs 34 percent of vehicles to test-only stations based upon a high-emitter profile and two percent are selected at random. Put some conclusionary statement upfront. Okay?

MR. CARLISLE: Got it.

CHAIR WEISSER: Any other comments on this? I have no comments on items six or seven. Anybody have comments on six or seven.

MEMBER WILLIAMS: I have one on six.

CHAIR WEISSER: Please.

MEMBER WILLIAMS: It says here that the two percent random selection represents a little less than six percent of vehicles going to test-only stations. I'm puzzled how we came up with that number.

CHAIR WEISSER: Two percent of 36 percent is six percent of a 100 - a little less that six percent.

MEMBER WILLIAMS: Yes, but about 50 percent of vehicles go to test-only stations having volunteers, right?

CHAIR WEISSER: Ah, you're tricky. Okay, so how do we reword that, Jeff?

MEMBER WILLIAMS: I think it's more like probably four percent of the total that go to test-only.

CHAIR WEISSER: Yes, but then we have to bring in this whole concept of volunteers again.

MR. CARLISLE: I think we can eliminate -

MEMBER WILLIAMS: Take it out.

CHAIR WEISSER: So moved.

MR. CARLISLE: Let's see.

CHAIR WEISSER: That's okay, it's Steve Douglas and he's been tortured before. Okay. Let's just get rid of that, Rocky.

It doesn't add anything. It's just two percent. Number eight, could you insert the word likely after it appears in the second sentence, so it's rather, it appears likely that the State would, and that concludes all the comments I have on this letter. Are there any other comments? Okay. Your job, Rocky, if you accept this mission impossible, is to try to take this load of helpful suggestions and come forward with a new draft that we can send to the complete Committee asking them within 72 hours to reply with their comments and suggestions to you and for you to share those with me, and then we'll get a letter out the door.

MR. CARLISLE: I've got to admit, these are fewer edits than I anticipated.

CHAIR WEISSER: Well, you're a pessimist.

MR. CARLISLE: That was by design.

CHAIR WEISSER: I imagine we'll do comments at the end.

MR. CARLISLE: I was actually trying to get this letter to email it to everybody yesterday, but the PLA training kept me longer than what I really anticipated yesterday afternoon.

CHAIR WEISSER: Thank you very much, Rocky. Are there any other items that you, in the Executive Officer's Activity Report, wish to report on?

MR. CARLISLE: That's it.

CHAIR WEISSER: Then according to requirements, we have to have public comments on this report. Are there any public comments that anyone would like to make? Mr. Peters?

MR. PETERS: Yes, hello, Mr. Chairman and Committee. My name is Charlie Peters, Clean Air Performance Professionals representing a coalition of motorists. It was brought up early in Rocky's presentation of issue of $2.5 billion sanction, if we don't implement low-pressure fuel evap equipment, and I thought I heard a little laughter and giggles. As the comments went on, it seemed to me as though this is about tons, it's about reductions, it's not specific methodology from my perspective. If I was going to be flippant, I would say that the $2.5 billion sanction on the State of California was money based upon some equipment manufacturers selling a piece of equipment that may or may not benefit at all. It doesn't sound valid to me and I would certainly like the Committee to justify in some way that that's a valid statement or a valid risk of the State of California, because it certainly doesn't seem to match the rhetoric I've been hearing since that comment in Rocky's presentation. Another issue, Mr. Chairman, I heard comment about your extraordinary performance of being able to go over this and evaluate. In my opinion, Mr. Chairman, you're probably as significant a part of this process as anybody in the world and have been for a number of years. So, there

are reasons why you're here. I'd like to ask if and how much you were involved in the creation of the SIP to start with, just if you would be interested in commenting to that, because I know your organization has been exceedingly involved long before you took on this interesting task of running this Committee. The issue of the discount and the number of cars to test-only, in my humble opinion, Mr. Chairman and Committee, from the start, even with the 50 percent discount after the State of California demanded no possibility of test-and-repair in '92 letter to the Federal EPA, I was absolutely convinced, based upon what I was seeing and reviewing in the way of data and information that the State of California was totally superior even with the 50 percent discount. So, the issues in your paper to the delightful Assemblywoman assumes a lot of things as far as performance is concerned and the Committee's been provided with information of where this 36 came from was stated in a meeting in Colorado to be not valid based upon the no 50 percent discount, so additional discussion, I believe -

CHAIR WEISSER: Janet, could you turn that buzzer off? Thank you very much, Mr. Peters. Let me try to respond as quickly as possible to your question, to the portions of the questions that I can remember. I didn't have anything to do with the SIP. I wish I had. The various SIPs, other than the sort of participation in workshops that ARB holds,

consultants and my staff members have participated in public workshops and we've provided written comments on SIPs, but I don't recall anything of any comments associated with these issues for the 17 years I've worked at CCEEB, the California Council for Environmental and Economic Balance. I can say that CCEEB, as an organization, has advocated to try to get as much of emission reductions out of the mobile source sector as cost-effectively possible over the years. The input that you've given us regarding the $2.5 billion, I'm not going to respond to that. It was a comment that was made apparently by a person in the public. The State, as all states are, is always in jeopardy of potentially losing federal highway funds if they fail to conform with Federal Clean Air Act requirements, including the achievement of Federal Air Quality goals. That has been implemented rarely, I believe only twice over the history of the Federal Clean Air Act. But it certainly is a hammer. I would be shocked would that hammer to be exercised over the question of whether or not the State implemented a pressure-testing system. That's not how it works. It's are we consistent with the law, are we making progress towards federal goals. Any other comments? Thanks. Public comments, Bud?

MR. RICE: Good morning, Bud Rice with Quality Tune-Up Shops. A quick comment. It's tough, I was trying to piece-meal things together from what your comments were without benefit

of looking at the letter in total. But, I didn't get a sense of there was any input on the Committee's end for work that you have done in terms of analyzing the Smog Check Program on your own, specifically information that Jeffrey Williams has come up with, with his analysis of the program. I didn't see any flavor of that placed into the letter. Thank you.

CHAIR WEISSER: Thanks, Bud. The work that Jeffrey has done doesn't really address the questions of whether the emission benefits of the program, it's been more a surgical approach and one that I think frankly is going to have pretty substantial impact in terms of the construction of the program in the future, but it really isn't an evaluation of the emission reduction benefits of the program per se. Any other public comments? Good. I mean, thank you, and I mean good. I want to make one further clarification. There's something that Charlie Peters said that kind of stuck with me and he made a reference to since I've been running this Committee. I can tell you that your Chairman does not believe he is running this Committee. I am honored to be able to work with Members of this Committee in a collegial fashion. I would not want to be here running this Committee. With that, I think I'd to jump over the BAR/ARB update and move into the first of the presentations on the OBD II. If that is okay with folks on the Committee, hang

on for one moment. So, with that, I'd like to invite the speaker from the Alliance of Automobile Manufacturers, Mr. Steven Douglas to -

- o0o -

MR. DOUGLAS: You're not going to review this presentation are you? This is my chance.

CHAIR WEISSER: Disclosure. Steve has been a participant in some CCEEB meetings at times and it's me that's sitting in Rocky's chair and he's the one who's asking, why have you put the comma here, rather than there?

MR. DOUGLAS: It never happened. Mr. Chairman, Members of the Committee, I sincerely appreciate the opportunity to be here to address this.

CHAIR WEISSER: Can everyone see that or do we need to dim the lights? Dim the lights or what? Raise your hand - everybody says they can see it. Cool. Let's go.

MR. DOUGLAS: Thank you, again, Mr. Chairman and Members of the Committee. I sincerely appreciate the opportunity to be here. I specifically want to thank Mr. Carlisle for inviting me and being so persistent despite delaying tactics. I'm Steven Douglas, I'm the Director of Environment Affairs for the Alliance of Automobile Manufacturers. And, just so you know, the membership of the Alliance represent BMW, Daimler-Chrysler, Ford, General Motors, Mazda, Mitsubishi, Porsche, Toyota, and Volkswagen.

In addition to that, I've been working on onboard diagnostics for a number of years and I typically represent the other manufacturers as well on these issues, so I think my comments probably cover all of the automobile manufacturers out there. Just a quick review of the agenda. I'll give you quick overview, give you our position, and the overview will cover not just onboard diagnostics, but all of the things that manufacturers are doing for vehicles. We'll give you our position on onboard diagnostics, some of the function, the purpose of onboard diagnostics, we'll look at some of the concerns that we have with OBD II, and then finally wrap it up with how OB II and some of the things we do for I/M and onboard diagnostics. First, I'd like to put in just a plug for the manufacturers, and this is related to onboard diagnostics. These are the emission standards in California. You can see a dramatic reduction over the last - this is just about a decade -standards were in place in the 1990s. That's a 96 percent reduction over the years, in about a decade. That's the equivalent of taking 18 million cars off the road. I think it's pretty phenomenal, and just so you know, that also makes the job of detecting malfunctions more difficult because most of the malfunction thresholds, the things that turn your check-engine light, are tied to the emission standard of the vehicle. So, it's 1.5 times the standard and for the super, ultra-low emission

vehicle, it's 2.5 times the standard. Everything else is around those numbers. In addition, the manufacturers don't just work on onboard diagnostics. It'd be a pretty easy life if that's all they had to do, was design and develop onboard diagnostics, but they don't and they all want to play with one another. They have to meet the emission standards. That's the key. Onboard diagnostics doesn't reduce emissions, it just monitors them. So, they have to meet the emission standards. There are safety standards they have to meet in addition to safety features that consumers want. With performance, no one's going to buy a car that doesn't accelerate, that doesn't perform the way they want it to, that doesn't provide the capability they demand out of it. And there's comfort and convenience features, and this also plays in onboard diagnostics, because in addition to emissions, the catalyst and oxygen sensors, they also monitor, in some cases, components such as the air condition. Price obviously plays a big part of it. Manufacturers, that's the golden rule and that's the goal. In addition, the manufacturers design and develop these vehicles to operate 150-200,000 miles, they operate pulling a 5,000 pound trailer across the Death Valley in 130 degree heat, they operate in Fairbanks, Alaska, where it's 20 below zero. So, it's a challenge and manufacturers face that challenge everyday when they're designing these.

Onboard diagnostics is extraordinarily expensive. It requires - (static noise in room)

CHAIR WEISSER: Hold on for a second. Is that a cell phone problem, Steve?

MR. DOULGAS: OBD is extraordinarily expensive. It requires substantial resources from the manufacturers and it puts manufacturers at a substantial risk. Production delays, manufacturers have to certify onboard diagnostic systems through the Air Resources Board, and many times if it doesn't result in a delay because they have to recalibrate an onboard diagnostic system, or maybe recalibrate the engine, it at least scares the people who are responsible for calibrating because you're talking about shutting down an assembly line because your onboard diagnostic system isn't operating properly. So that's a big risk. Now there are fines involved. Usually they're rare. And then the ultimate is recalls where manufacturers recall hundreds of thousands of vehicles to repair an onboard diagnostic problem. So there's a lot of risk in that. Finally, these regulations change almost continuously. There are regulatory changes, and then, in addition to that, each year manufacturers go in to certify their vehicles and the Air Resources Board staff sees manufacturer A and they have one type of monitor and manufacturer B has another type to do the same thing, but one's better than the other. In some

cases, ARB likes the better one and so they issue a concern to the manufacturer and they force them to change it the next year or they issue a deficiency and force them to change it. So our position on onboard diagnostics - we support it. We support it because the manufacturers genuinely believe that OBD is a solid emission-monitoring tool. They genuinely believe that it provides substantial benefits to consumers. They genuinely believe it provides a benefit to repair technicians and they genuinely believe that it improves air quality. Having said that, there's a limit to OBD. And also, let me point out, we work with the Air Resources Board a lot on this and we have, a lot times, different positions, but it tends to be on the fringe of should monitoring be implemented in 2009 versus 2010. Should it be a 30 percent phasing or 50 percent phasing. So, it's on the fringes. I think in general, we tend to agree with ARB that it's a good system and we just want to implement it in a smarter way than sometimes ARB does. The functions of OBD, it monitors every component that could cause emissions to increase. It doesn't necessarily mean a component that fails will cause emissions to increase. For example, we monitor the thermostat. If a thermostat goes bad, it's not going to increase emissions. But onboard diagnostics monitors itself as well. The thermostat, for example, if it goes bad, the onboard diagnostic system might

not enable the monitor, which means something that does cause emissions to increase could go undetected by the OBD system. It monitors itself by monitoring how often it does the diagnostics. And that's what we've termed the rate-based system. It stores the faults and conditions at the time of the fault so the technicians can use that and finally the system communicates the status of OBD to the consumer, the driver, as well as to the service technicians. A couple of concerns we have, onboard diagnostics is getting incredibly complicated. It requires more and more resources from the manufacturers. In fact, one manufacturer has 85 engineers and researchers working either full-time or part-time on the onboard diagnostic systems - 85. That's just one manufacturer. In addition, the cost benefit, particularly on the repair side, is declining and there's just no disputing that. As far as the complexity, when the regulations were originally written because of the fuel system, exhaust gas (inaudible) and then the computer controls it. And obviously, it had been malfunctioning the light or the check-engine light. That was in 1985. It was modified in '89, '91, '93, '94, '96, '02, and '06, and the latest proposal which will be before the Board in June is 150 pages, it's detailed, it's technical, it has enforcement testing, certification requirements. It's a lot. We have phases for every monitor out there and they differ within

the regulation. Here's the way it monitors the manufacturers have. It's the catalyst system both monitored for hydrocarbons, as well as for NOx. Heating catalyst, misfire monitoring, there's a couple different requirements in misfiring, in fact, there's a number of requirements in everyone of these. The evaporative system, both a big leak and a small leak. The secondary air system, fuel system, exhaust gas, PCV, and even in relatively new in cold-start emission reduction strategies, air conditioning, variable valve timing, that's relatively new. Direct ozone reduction, that's the premier catalyst that came about in 1998. It doesn't exist any more in large part because of onboard diagnostics. Comprehensive component monitoring covers everything else that could possibly cause emissions to increase under any driving cycle. That's pretty open-ended. And then finally, rate-based monitoring. That's the system where you say, okay, we're going to check the catalyst, but we need to know how often you're checking the catalyst. Are you doing it once a week, is it once a year, obviously you want monitors to run and diagnose the system on a frequent basis. So, the rate-based monitor does that. It tells ARB, yes, the systems are operating, diagnosing the vehicle every week, every two weeks, every day. So the resources, it's the engineers, it's the researchers, the people who design, develop, they do the software. There are

millions of lines of software involved in this. It's laboratories, because in many cases you have to take a vehicle, take one failed component, put it on the vehicle, put it in the lab, make sure it's emitting at 1.5 or 1.7, times the standard, and then you say, does the check-engine light come on, does it not? Certification, again, that's a big issue that requires a lot of time. There's production vehicle testing, both at the assembly plant and after the vehicles are built and in-use monitoring. OBD requires hardware changes for the OBD system itself. A lot of components in the vehicle have been put in there specifically to monitor the emission system. But, it also requires hardware changes in the vehicle itself, like the catalyst formation. Now how you build the catalyst, they design that, the catalyst, so that it can be monitored. So, many times it requires a change to the vehicle just to allow user monitoring or more robust monitoring. I had mentioned repair benefits going down and there's no way to dispute that and I just use the example here of a tier zero vehicle. The standard was .4 and one and a half times that standard is .6, so you get a .2 benefit. For a SULEV vehicle, the standard's .01. It's two and a half times the standard, so your benefit is .015. So, repairing that 1990 vehicle gives you 13 times the benefit of repairing a SULEV. And you can ask, which is more expensive, a catalyst for a 1990 tier

zero vehicle, which is probably 70 percent efficient, or the catalyst for a SULEV, which is probably 97 percent efficient. And you're probably going to throw away the SULEV catalyst of about 93 percent efficient. So, like I said, there's just no disputing the cost benefit. And that's something that ARB, I don't think, looks into a lot. So just to put onboard diagnostics in perspective, it is important, but it doesn't reduce emissions. Vehicle emissions dropped long before onboard diagnostics was introduced and certainly before we had 150 pages of regulations and requirements. ARB routinely adopts regulations and they get credit in their State Implementation Plan for requirements that are not monitored for the power equipment, motorcycle, water craft. They adopt these and they get emission reductions from the standards, but they're completely unmonitored. So, onboard diagnostics should not prohibit vehicles that meet emission standards. This could be the case with use of vehicles. They will not meet the onboard diagnostic standards. It shouldn't eliminate promising emission control technology. ARB's philosophy is, if you can't monitor it, you can't put it on. The example, premier catalyst, if no one knows how to monitor it, you don't credit for it otherwise. It shouldn't change on an annual basis, which it tends to do. Manufacturers are always scrambling and they put a lot of

work into developing the software, the algorithms, testing it, certifying it, only they have the requirements changed on them. And in some cases, they're phasing out a model year or they're phasing out a vehicle, and yet they have to go back, do all the work, and then kill that product a year later. And I think ultimately, the big concern the manufacturers have with the complexity and the stringency of onboard diagnostics is it will cause false MILs and I think we can't fail, we cannot fail here. Because, if you have false MILs, once the public says, well, gee, it's just an emission problem, it doesn't affect the vehicle, I can continue to drive with it. Onboard diagnostics will have been off and on and it would be useless.

CHAIR WEISSER: So, you're suggesting that the vehicle become disabled instead of the MIL light going on?

MR. DOUGLAS: Not precisely. Perhaps that's the word you would use had you edited this. Some of the onboard diagnostic I/M features, and this is just a few. There's a lot of them. Standardized diagnostic trouble codes, fall codes, they try to standardize that, that's difficult. Every time they review the regulation, they change this requirement and make it to attempt to force more standardization of the fault codes. It's important for the technicians, the diagnostic connector, the location of it, the pan assignments, the genetic scan tools, the readiness light, that's purely I/M

based. Production vehicle testing, they test the communication of the vehicle at the factory. Does it communicate with the scan tool, can you see the readiness flags, can you decipher them, so on and so forth. That's purely I/M. Permanent diagnostic trouble codes. This would kind of eliminate the loophole of having not ready flags that are not set.

CHAIR WEISSER: People disconnecting the battery-type thing?

MR. DOUGLAS: Exactly. So that if you have a fall code stored, you can't erase it, you can't erase with the scan tool, and you can't erase it with the battery disconnect. And so what that would allow I/M programs to do is eliminate that exemption for, okay, you can have two monitors not set. And the Cal ID, the calibration unification and the calibration verification number, both those are purifying, so they can see if it's got the proper calibration or if the calibration's been modified. And, finally, it's really all about the M, it's all about the maintenance. That's what onboard diagnostics is about. It's about being able to diagnose and repair the vehicle properly. Just to summarize, OBD is a mature technology. It continues to evolve. The have refund problems, by and large, again, we work closely with ARB and I think we come to a reasonable compromise in most of the cases when they find new issues and the latest proposed regulations has two or three new

problems that they find are failed, where onboard diagnostics isn't catching something, so they've modified. But you have to strike a balance between the emissions, the cost and any potential for false MILS. OBD performs as it's designed. It's a computer. It does what you tell it to do. It doesn't necessarily do what you want it to do. So, it's performing as designed and we think it provides a substantial benefit to consumers, technicians, and ultimately, air quality. I'd be glad to answer any questions.

CHAIR WEISSER: I suspect there may be one or two questions. And we'll start from the far left, Roger?

MEMBER NICKEY: Hi, my name is Roger Nickey and I own a test-only center, so I work with this stuff on a daily basis and I just have some questions. I looked on the Internet and put in the search engine, reprogramming PCM for performance. I got over 1,000 hits. There are plenty of programs out there available to completely reprogram your PCM and evidently reset monitors to go completely around all this stuff. Is there anything in the mill - I don't want to say mill, I'm sorry. I didn't mean malfunction indicator light. I meant in process - to be able to identify cars that have been reprogrammed?

MR. DOUGLAS: I think there's a couple of things along that line. First, they required us to - how did they say it -

scramble the calibration, encrypt the calibration to prevent people from modifying. Our intent, obviously, was to find ways around that. The other thing, though, is with the calibration ID as well as the calibration verification number, the intent is to for a technician to be able to hook up to the car and verify - for a 2003 Chevy Impala, this is the right calibration for it, this is the calibration, moreover is the calibration verification number, which is computed every trip and that matches with the calibration ID that should be there.

MEMBER NICKEY: Has that been implemented yet or is it yet to be?

MR. DOUGLAS: The Cal ID and the CVN to my knowledge has been implemented. The look-up table where you could say, 2002 Impala with this engine and this evap system should have this Cal ID and this CVN, that has not been yet, that’s part of the -

MEMBER NICKEY: So, right now, existing models, you could go around the system with that.

MR. DOUGLAS: Right. You would still get the Cal ID and you’d still get the CVN to my knowledge. But I don’t think you have a look-up table where you could verify -

MEMBER NICKEY: No, we don’t.

MR. DOUGLAS: Okay.

MEMBER NICKEY: The other one, oxygen-sensor simulator, I put that one in and got 38,000 hits. There are devices out there that you can replace your post-cat O2 sensor to send a false message to the PCM that, yes, cat's okay, even it's been removed. That's another way around this whole system. I was also interested in, you mentioned that - are we monitoring PCV systems?

MR. DOUGLAS: Yes.

MEMBER NICKEY: Now, that's a new one on me because my understanding is there's no way to monitor a PCV system. Pretty much, today, you can take a PCV system off and throw it away, block up the vacuum leak and you'll get nothing.

MR. DOUGLAS: I think we monitor for PCV. I'll check again, but I'm certain there's a section in the regulations of monitored PCV.

MEMBER NICKEY: That starts in '05?

MR. DOUGLAS: Yes.

MEMBER NICKEY: Okay, so '96 through '05, we have no monitoring on PCV.

MR. DOUGLAS: Right.

MEMBER NICKEY: Could you comment just for a moment for my education on CAN?

MR. DOUGLAS: You know I suspect that (inaudible) institute would have a better handle on this, but it's implemented in 2008. CAN is communication area network. It's a new

communication protocol in vehicles and all vehicles will implement it. I think they've already started and it's fully phased in 2008.

CHAIR WEISSER: What is it? I just don't understand. From a layman's standpoint.

MEMBER NICKEY: It's a different protocol than OBD II - I mean it is OBD II, but it's a different protocol and our test equipment, when we download the computer, you can't download CAN, so we have to bypass that portion of the test for the vehicles that have it because there's no way for our existing equipment to read it.

MR. DOUGLAS: Right, I think it requires new equipment or an update to your equipment to read the CAN. My understanding, and I'm not an expert by any means in CAN, it's a better communication protocol for the vehicle. It's implemented in Europe and is phasing in the U.S. as well. In a vehicle, there's probably five, six computers that have to communicate back and forth and they have to communicate with sensors as well. This CAN is just the method by which they'll do it. Kind of like going - correct me if I'm wrong, kind of going from a serial port on your computer to a USB II.

MEMBER NICKEY: It's a lot faster, but the bottom line is we still can't do OBD II tests on those vehicles because our equipment doesn't read it.

MR. DOUGLAS: Yes, I think that should change as far as the equipment, but I'll let the equipment folks talk about that.
MEMBER NICKEY: That was it for me.
MR. DOUGLAS: Okay.
CHAIR WEISSER: Jude?
MEMBER LAMARE: Steve, our Committee did have some have presentation or something about new light-duty diesel vehicles with a different kind of emission control systems -
MR. DOUGLAS: Right.
MEMBER LAMARE: - and you mentioned something in your presentation only applying to gasoline vehicles -
MR. DOUGLAS: Right.
MEMBER LAMARE: - and then you mentioned later that OBD prohibits some diesel vehicles because they couldn't be tested with OBD and eliminate some promising emission control technologies because they couldn't be tested with OBD. So, I thought it would helpful to the Committee to get your input, if possible, about the new light-duty diesel vehicle emission control systems and how that fits in to your thinking.
MR. DOUGLAS: Certainly. The new light-duty diesel vehicles, and probably the heavy as well, probably didn't go with this, like the catalyst reduction emission strategy to reduce the NOx emission (recording ends)

MEMBER WILLIAMS: - at least until it's at 70 percent efficiency, but the history of the failure is useful.

MR. DOUGLAS: You could, and I think the way we've proposed doing that is to set an additive standard. Right now it's -

CHAIR WEISSER: Set of what standards?

MR. DOUGLAS: An additive standard. So, rather than having 1.5 times a very, very low number is say, okay, here's what we think is cost-effective. Maybe it's .1 gram above the standard, so if you have .01 standard, you turn on the check-engine light at .11 grams per mile, rather than at .015. That's the way we would approach that.

CHAIR WEISSER: And why is that, Steve?

MR. DOUGLAS: Just because at a certain level, it's just not cost-effective.

CHAIR WEISSER: What's not cost-effective, the repair?

MR. DOUGLAS: The repair, exactly.

CHAIR WEISSER: Okay.

MEMBER WILLIAMS: I don't understand the system well enough, but it seems to me that the more advanced that computers can get, they can store more of the information of the previous test cycles, call it that, on the catalyst for example. Is there information in there that allows - well, it's doing this and it's starting to get worse, it will definitely fail two weeks from now or two months from now. Is that of use itself?

MR. DOUGLAS: It may be of use. The computer is - as good as they are and I think the analogy is if there's more computer technology on a vehicle today than there was on the Apollo spacecraft. So, there's a bunch, but there's a limit. We're never talking about adding these permanent fault codes or adding additional monitors. They have to go in and add additional memory for that. There's limits with processors because the computers are controlling the fuel, the air to fuel ratio, monitoring just a tremendous amount of items and we have to bear the limits of processing power, without upgrading the computer and it's obviously a very expensive process to change the computer because you have to test it out and make sure it works on every single vehicle for all time, or close to that.

CHAIR WEISSER: Thank you. Robert?

MEMBER PEARMAN: First, what's a tier zero vehicle?

MR. DOUGLAS: That was the standard between 1987 and '92 in California, and federal as well.

MEMBER PEARMAN: The standard, what do you mean?

MR. DOUGLAS: Oh, I'm sorry, do you want the numerical -

MEMBER PEARMAN: No, when you say with a standard vehicle meaning by what, how you measure emissions or what standard?

CHAIR WEISSER: Yes, it was the emission characteristics that vehicle had to perform at in order to be certified.

MR. DOUGLAS: Exactly.

MEMBER PEARMAN: Okay. And your statement about OBD should not cause false MILs, is it your organization's position that there's been a statistically significant growing trend of more false MILs?

MR. DOUGLAS: No, I think what our concern has been is that you have to be careful not to do that because there's no turning back if you get an avalanche of false MILs. There's just no turning back. People will start ignoring them and we'll just never turn the tide. That's one of the things that you just cannot fail at because people will ignore them forever and we'll be 40 years down the road and our grandkids will be ignoring the check-engine light because it's just the emission, it doesn't affect the car, the car's going to run just fine. Yes, I know they do it know, but it would be even worse.

MEMBER PEARMAN: What makes you think it's going to get worse?

MR. DOUGLAS: Well, as they add more and more requirements to it, there's a tremendous amount of technology in there. You know, it's like that with any computer system and as the standards get lower and lower and lower, then you're looking at detecting a catalyst that goes from a 97 percent efficiency to a 95 percent efficiency, so there's just not as much room for error. So, where before you had the emissions had to jump .2 grams per mile, today it's .005.

CHAIR WEISSER: Yes.

MR. DOUGLAS: It's just harder to measure and harder to measure accurately. I think they're doing a pretty good job and I think we're working with them make sure - in some cases, as they implement the regulations and we need more time to kind of test out the technology before it's ready to come time.

CHAIR WEISSER: But to repeat, Steve, insofar as you're aware, you're not seeing any sort of spike associated with malfunctions of the OBD systems. There are going to be some, just the nature of the beast, but at this point in time it is not an inordinate number, more a number that threatens the public's consideration of the engine light going on and the fact that they need to do something, is that correct?

MR. DOUGLAS: That's correct.

CHAIR WEISSER: Bruce? Gosh, it's hard for me to keep quiet. I just can't wait until it's my turn.

MR. DOUGLAS: I thought you already had your turn.

CHAIR WEISSER: Oh, no.

MEMBER HOTCHKISS: Okay, Bruce Hotchkiss. I have a number of things based off of some of the things you said and I just want to go back. You made some comment about you had to monitor a thermostat and that really has no relation to emissions and I really would beg to differ with you. A bad thermostat can adversely affect emissions greatly, so monitoring the thermostat is pretty important. If the

thermostat doesn't work right, you aren't going to have proper warm-up, which as you know, the emissions are greatest during the warm-up cycle. If you don't meet warm-up as quickly as possible, the emissions are going to go through the roof. So, monitoring the thermostat is pretty -

MR. DOUGLAS: Excuse me, sir. That's the difference between the engine warming up and the catalyst warming up. The engine warm-up time is 30 seconds.

MEMBER HOTCHKISS: Okay.

MR. DOUGLAS: But the catalyst warm-up times is 30, 45 seconds, any warm-up time is significantly longer, but I'm sure you're correct that the thermostat could cause emissions to increase, but there are unquestionably systems that are monitored that have no impact on emissions.

MEMBER HOTCHKISS: Okay. And I want to -

CHAIR WEISSER: Excuse me. That are required to be monitored by OBD requirement?

MR. DOUGLAS: Right.

CHAIR WEISSER: Why would they do that?

MR. DOUGLAS: Well, because, if the system would not allow you to monitor - if the failure of a component would disable onboard diagnostics.

CHAIR WEISSER: Okay, well that makes sense to me.

MR. DOUGLAS: Yes, I agree, I agree.

MEMBER HOTCHKISS: Okay and let me preface this next one a little bit. I'm a lot older than you and I remember back in the '60s when the government was first getting involved in emission control, Detroit engineers throwing up their hands saying we can never do it, you're going to ruin the auto industry, we won't have cars that get out of their own way, and I kind of hear the same tone. This is really onerous on us. Cars today, they're quicker, they're more fuel efficient and they are much cleaner. I don't like to hear that from the auto industry. I'm a car guy and when I hear this, gosh, it's tough, I've been hearing that for 40 years and we have the best vehicles we have ever had. So, it's not that tough.

MR. DOUGLAS: Oh, contraire. It is that tough.

CHAIR WEISSER: Yes.

MEMBER HOTCHKISS: Well, I think the benefits are -

MR. DOUGLAS: I think you're hearing me wrong. I completely think you heard it wrong. I agree, I think the cars are better, I think the cars are unquestionably, undisputedly cleaner, I think they run longer, they're safer, they have better performance. And if you think that came out thin air from fairy dust -

MEMBER HOTCHKISS: Well, I know they didn't.

MR. DOUGLAS: It's a lot of hard work. There are thousands of engineers working every single day, there are thousands of factory workers every single day.

MEMBER HOTCHKISS: Yes.

MR. DOUGLAS: It's not easy.

MEMBER HOTCHKISS: No.

MR. DOUGLAS: And it never will be.

MEMBER HOTCKISS: But the benefits are huge.

MR. DOUGLAS: I sincerely agree, so I can't stand up here in good conscience and say, oh it's easy.

MEMBER HOTCHKISS: I don't mean to say it is easy. I just - the benefits that we'll reaped, including the auto industry are tremendous and I think there are - you talk about the cost benefits and I think there are other benefits, cost benefits, to the auto industry that go above and beyond the emission savings. When you are monitoring all these different systems, you are also read warning benefits, it allows you to monitor the vehicle, you know what's failing well in advance of when you used to, and you are able to implement fixes. So I think there's a lot of benefits to it. I understand that sometimes it seems that the government forces the industry to go places maybe it doesn't want to, but I look at it from the historical perspective that we wouldn't be where we are today if there hadn't been government forcing it.

MR. DOUGLAS: But I think my comments were the industry works hand-in-hand with ARB on these regulations for how many years now, and like I said, the only disputes we have are on the fringes. I guess I'm not clear how you got the impression that we opposed OBD all along, and we haven't. We're the ones that build it.

MR. HOTCHKISS: Well, I'm not saying you necessarily oppose it, but I know the industry has always been saying -

MR. DOUGLAS: Listen, if government didn't ask for this, we wouldn't be here and I think it's good that the government maybe asks for more than the industry is able to deliver because then it pushes the industry - it presents a challenge to the engineers and the engineers come close to meeting it. But, it's like negotiating. If I don't ask for the moon, I'm not even going to get half way there.

CHAIR WEISSER: And that is not reflective of the perspective of each and every person on this Committee, but it is reflective of, I think, not just Bruce, but many people who kind of see this as a negotiating match. Now, what I heard was Steve talking about this doesn't come free. It doesn't come out of pixie dust. It has been an astounding challenge, technologically from an engineering standpoint, from a cost standpoint. His concern, what I heard you saying, Steve, was that people just think they can say this and poof it gets done. And the world doesn't work like

that. The reality is these are already very complex and expensive. At one level system, I will contest that a little bit with and when it's my turn. You need to approach these things very, very carefully. The one thing I think that we can all agree on as a starting point, is that the job that the automobile manufacturers in this country and elsewhere have done in terms of improving the emission characteristics of automobiles over the last 40 years has been nothing less than miraculous and is a success story of the highest order in terms of human creativity and technology. Everybody owes the folks in the industry, I think, a tremendous debt of gratitude, as well as the folks in government who have set high hurdles for them to achieve. If you would look at the characteristics of cars in the '70s compared to cars now, it's astounding. I just heard, well I think it was two years ago, the Hemlock Society took off the list of ways you can kill yourself, drive a new car in your garage and close the door because you're be there - you'll die of starvation or dehydration before you'll die of emissions. It's an amazing success story and one that I don't think we've trumpeted. That being said, the comments that I make are in the context of this incredible admiration for what's been achieved. Look at the truck that you showed, Steve, I think it's just striking, it's absolutely striking, the extraordinary things you've been able to

achieve. But I do contest this comment that OBD is extraordinarily expensive. To me, there's a cost associated with it, but extraordinarily expensive, Steve, what's the impact of - you wouldn't build a car without OBD for your own purposes. You need OBD in terms of the actual running of these vehicles. The tolerances are so tight to ensure maximum efficiency and comfort and passenger safety. Recognizing that each cost might cost millions, those millions are spread among millions of vehicles.

MR. DOUGLAS: Yes and let me kind of preface or give you some idea - I think what I meant by that was we're spending in terms of engineering resources about the same thing we are to monitor, to develop the onboard diagnostic system as we are to developing emission control systems.

CHAIR WEISSER: Oh, now that's interesting. Let me make sure I understand. In relative terms, then, the cost that the industry is spending on OBD -

MR. DOUGLAS: When I say cost, I mean like engineering resources, development.

CHAIR WEISSER: Are you talking about then not the actual cost of -

MR. DOUGLAS: Right.

CHAIR WEISSER: - just the development cost and research stuff. The R&D side you're spending as much on OBD as you are on the R&D for emission control technology. That's really

interesting. You know, one of the problems, I think, we have with the Smog Check, the I/M program, inspection and maintenance, is 75 of our resources are going to the I and only 25 to the M. We'd like to see that reversed and frankly, we are looking at OBD as part of that opportunity to switch more costs or more of the total societal costs going to maintenance. You indicate that the requirements are constantly changing and yet when I look at your chart of OBD complexity, it really only changed twice since 1996 according your chart. That doesn't seem like it's constantly changing.

MR. DOUGLAS: It's on an annual basis. Because the manufacturer will do is go in to certify and let's say you have a diagnostic, a monitoring strategy. Manufacturer B has a better monitoring strategy or maybe ARB just finds a hole, so even though you certified your vehicle last year or the year before with the exact same - they found the problem and so they issue a concern or they issue a deficiency.

CHAIR WEISSER: Well, if they find the problem, don't you think they have to address it?

MR. DOUGLAS: This leads to concerns, but sometimes it's just a matter of this system, we like this system better than this system, or this works better than that system, so they are constantly changed.

CHAIR WEISSER: So the chart that you indicate that was modified in 1996, then six years later in 2006 and now four years later in 2006 -

MR. DOUGLAS: Right.

CHAIR WEISSER: - I said 2000, I should say ’96, 2002, 2006, how would you differentiate -

MR. DOUGLAS: I would call those regulatory changes and what they’ll do is they’ll pull in anything - because they’re technical requirements, they’re not cut and dry. One manufacturer will think that they’re meeting the requirements just by their interpretation of it and there’s a lot of interaction between ARB and the manufacturer.

CHAIR WEISSER: I would hope so.

MR. DOUGLAS: To get different interpretations on it of the same regulation, even with all that.

CHAIR WEISSER: Yes.

MR. DOUGLAS: And I can tell you that the number one complaint I get from the manufacturers on the OBD regs is this constant changing, the evolution of it on an annual basis.

CHAIR WEISSER: I remember a presentation I believe, to the California environmental dialogue that some of the engineers in some of the companies that you represent made on OBD and they were talking about the literally thousands of calculations and measurements that the system is making every second of various components. I mean, it’s an

extraordinary system. These folks, however, indicated an awful lot of that information wasn't just for emission control purposes, it was for how finely engineered the complex cars are now. Is that your sense?

MR. DOUGLAS: Absolutely.

CHAIR WEISSER: And the OBD does provide information to repair technicians for repairs other than just emission control. Do they get information out of that that help them keep their vehicle air conditioning system running?

MR. DOUGLAS: I'm not sure where the separation is. Onboard diagnostics is only for emission-related - it is only emission-related. Obviously, the car has multiple computers, the air conditioning system, the environment control, is one, body module is another, everything from your windshield wipers to your clock goes through a computer of some sort. So, yes, there's millions of calculations going on every second from the onboard diagnostics to controlling the engine, more fuel, less fuel.

CHAIR WEISSER: The comments you made regarding the concerns that the cost benefits associated with evermore complex OBD systems are declining rapidly. You reference the difference between the tier zero vehicle and a 2007 SULEV to try to illustrate that. I think it may seem like a little misleading, because what you're talking about is the cost-effectiveness of what I characterize as the marginal

failures. While you were able to get a .2 of a gram per mile benefit out of a 1990 tier zero vehicle that failed at one and a half times the standard, you're only getting a .015 gram per mile benefit for that same sort of failure in a 2007 SULEV. But indeed, the OBD system picks up failures that are not nearly what I'd characterize and frankly agree with you as marginal failures being one and a half times the particular standard for that particular component. They'll also capture catastrophic failures. And therefore, the emission-reduction benefits from catching those failures is far in excess of these numbers that we have for the 2007. Tell me why I'm wrong.

MR. DOUGLAS: No, I wholeheartedly agree with you, but the issue is that they set the malfunction threshold so you have to turn on the light at 1.5 or 2.5 times the standard, rather than at some high multiple or some additive standard where it would be perhaps more cost-effective.

CHAIR WEISSER: Yes, you should bring that to some organizations you belong to, to advocate that. What is failure rate on false MILs, false failures, do you know?

MR. DOUGLAS: I have no idea.

CHAIR WEISSER: Well, I just repeat, you guys representing the industry should feel a tremendous sense of pride in your accomplishments. The engineers, technicians, and then the folks that actually build the cars are remarkable and more

power to those nations that can turn out more of those folks and less lawyers and folks like you and I because it's the technicians that are going to really help us solve these sorts of challenges. On behalf of the Committee, I want to thank you very much. If you'd hang around - do you think we should open up to public question, public comment now, or should we wait for the next - and I know there are folks that are going to be wanting - so how do you think we should handle this, Rocky?

MR. CARLISLE: I think we ought to do it now and then maybe break for lunch.

CHAIR WEISSER: Okay. So, why don't you hang around and we'll see if there's any comments from the public at this juncture and we'll start from the right to the left. Any public comments? This is absolutely remarkable. There are no public comments. I think if you starve people long enough, you tend to have much efficient meetings. Yes?

MR. RICE: Quick comment, I noticed lying here in front of me was the USA Today, which says that now in New York they're considering a bill to require analysis of the alcohol content of the driver with an onboard diagnostic device. I thought that was interesting and says it's about $1,000 per vehicle.

MR. DOUGLAS: This is legislation.

CHAIR WEISSER: Roger?

MR. NICKEY: I just had a quick one. We keep mentioning false MILs. I have seen more failures without a MIL than I have false MILs.

CHAIR WEISSER: Failures of components that did not show up as a MIL-light?

MR. NICKEY: Vehicles that will fail the Smog Check ASM without a MIL and had other problems that don't throw a MIL.

CHAIR WEISSER: What do you attribute that to?

MR. NICKEY: Monitor set too wide, system doesn't work, is designed, a little combinations of things that happened, maybe a monitor doesn't run.

CHAIR WEISSER: Anything you'd like to -

MR. DOUGLAS: Just thinking about where they - when they set the threshold, if the requirement typically is you have to have the MIL on by the time we get to 1.5. I assume that manufacturers would set the standard slightly a bit below that to ensure that they don't fall out of compliance and so that's kind of a tone that you get and I guess it's just my own personal opinion, if I were going to have it skewed slightly one way or another, not dramatically, I would prefer not to have the false MILs because I think the false MILs are a much bigger problem than marginal emission failures where they -

CHAIR WEISSER: They have the potential to be a much larger problem. They're not a problem now.

MR. DOUGLAS: Exactly. They have the potential to be a much larger problem.

MEMBER NICKEY: I agree with you on that. It's just that we build up this thing that if the MIL ain't on, there's nothing wrong with it.

MR. DOUGLAS: Right.

MEMBER NICKEY: And we have seen not an insignificant number of tailpipe failures and the MIL never comes on and then set a code.

MR. DOUGLAS: I don't doubt that and I think there's a number of things and this is part of the evolution of the onboard diagnostic system and we're just adding cold-start emission reduction strategies, that's obviously (microphone goes off).

CHAIR WEISSER: That is, is there any sort of move underway to actually test tailpipe emissions on an ongoing basis and on an OBD-type function where there's a built-in sensor of what actually - you know, you're testing dozens and dozens of components, but what you really want to find out is what's going out the tailpipe or leaking from the system.

MR. DOUGLAS: There's a couple of things. To answer your question, no, but that's not - if you said, okay, we've developed a hydrocarbon and NOx sensor, we jammed it in the tailpipe and they'll tell you exactly what the emissions are and we'll have a display readout on the car. And everybody

will love it and everybody will talk about how many grams per mile they emit. Let's say, no, let's absolutely not.

CHAIR WEISSER: Why? Because they want to see the component that fails. They don't want to know that emissions are two times the standard or two grams per mile. They want to know that this component failed. They want to know that this component failed, that component failed, and they want to give that information to the technician.

CHAIR WEISSER: Okay.

MR. DOUGLAS: I just don't think there is anything, any hydrocarbon monitor that I'm aware of that would solve that - that you could stick in the tailpipe or downstream of the catalyst that would give you a readout like that and I think in the 20 years I've been doing this, if they had something like that, they probably would have put it in place.

CHAIR WEISSER: Very good. Are there any other questions by any Members of the Committee? I just want to say before we open it up for public comments and then break for lunch, this is really helpful information and I'll say it again, I think the auto makers deserve a tremendous pat on the back for the technical achievements they've made and the regulators deserve a big pat on the back for kicking you guys in the butt to force you to make those improvements. This has been a partnership, kind of an enforced partnership, and I personally want to say that Steve is not only a participant

in the public policy issues of our age in terms of the environmental issues associated with mobile sources, but he's also served as a member of our Armed Forces during a very difficult period of time in this country and I think deserves some recognition as for the sacrifices that he's made on our behalf and I'm personally very appreciative, so thank you.

MR. DOUGLAS: Thank you.

CHAIR WEISSER: And with that, we'll open up for comments. Charlie, you had something you wanted to say?

MR. PETERS: Yes, Mr. Chairman and Committee, I'm Charlie Peters, Clean Air Performance Professionals, representing a coalition of motorists. I found the presentation today interesting and it kind of sounded to me like it was primarily indicating technology as the solution to our air quality problem and to me, I kind of wonder if it is also a factor, what you think Mr. Chairman, were your longstanding relation to this gentleman as to how important it is that OBD is a tool that is a basis of empowerment of people who can service and repair these vehicles to provide appropriate feedback as to what kinds of problems they're finding, to the manufacturer to empower directions to better serve the public to make it to where when there's a problem found in the car, the car gets repaired more often, and whether or not additional consideration of respect for the people that

service and repair the cars, even the people within the manufacturing arena to where, maybe I'm just not truly getting the feel of this, but it seems like the most important function here is people first, and as long as we can maintain that, we've got a great future. If we decide that technology is a solution and a small group of elite get to the side and this is how we're going to run things, you end up manipulating results rather than improving the system. So, I just wanted to get - if there's any feedback to the importance of the individual people in this process, all the way down to the guy working in the Chevy store down the street, and if that can be improved and we can evaluation and feedback as to whether or not faults, in fact, are getting fixed and whether we improve the feedback to the manufacturer and so on, if that's not an opportunity to improve today and tomorrow as to what kinds of results we're getting.

CHAIR WEISSER: Thank you, Mr. Peters, I personally concur in what I think I heard you saying that your comments are on target. Thank you. Are there any other public comments? Are you sure? Okay. It's 12:15, why don't we get back together, what do you say, Rocky, a full hour this time?

MR. CARLISLE: Yes.

CHAIR WEISSER: Okay, 1:15. I want thank you once again for your patience - 1:15, folks. Thank you.

- o0o -

CHAIR WEISSER: During the lunch break, we had a little ceremony and gigantic sandwich and some wonderful potato salad just to honor Lynn Forsythe, the long-time backbone of the IMRC who just was promoted to be the assistant to the executive officer of the Physician Assistant Board, which is another unit of DCA, but another loss I'd have to character this, for BAR. We will miss Lynn. At least some of us will. Some of us are going to continue to get her wonderful emails. And now I think the next order of business will be for our second presentation on OBD II. Mr. Tecmire, is that how it's pronounced?

MR. CARLISLE: There's been a change. Mr. Tecmire had to leave, he had to catch a plane, so Mr. Charlie Gorman's going to do the presentation.

CHAIR WEISSER: Mr. Gorman, great.

MR. GORMAN: Yes, I'm Charlie Gorman. I'm the executive manager of the Equipment and Tool Institute, which is an organization that is made up of all the equipment and tool manufacturers. We cover all shop equipment, from collision repair to motor manuals and everything. But, obviously one of the hot topics always is anything that's regulated. So, emissions equipment and OBD is a major part of what we do. We work with several government agencies in just making sure that whatever happens is workable. I want to thank you, Mr.

Chairman, for the opportunity to speak, as Mr. Tecmire had to leave because we thought we were in the morning, but things change.

CHAIR WEISSER: Sorry.

MR. GORMAN: That's okay. That's okay. These things happen all the time. Not a problem. That's why we have a back-up. Our presentation today is on kind of an equipment manufacturer's perspective on OBD II only. I think one of the things we said earlier, there was some confusion about what OBD does on a car. OBD just means that, it's a generic term meaning onboard diagnostics, so it includes everything from brakes to air conditioning to everything. But, in this case what we're talking about is OBD II, which is very specific in that it is the regulation passed by California and enforced by California and ARB, and therefore, is emissions-related only. So, if you think in broad terms, OB means everything. If you think in very narrow terms, OBD II means emissions-related and are things that are regulated and the parts that are checked during Smog Check. OBD II only testing makes sense on many levels, we believe. It's more accurate. OBD tests vehicles during all conditions, cold-start, and so on, whereas tailpipe testing cannot. The engine has to be warmed up to begin the test. Earlier it was said that just a lot of false failures on that where a vehicle can have no MIL light on, but fail emissions test.

And a lot of times this cannot be attributed to a single part. Nobody knows why that happened. It's usually, by the way, kind of traceable to certain makes and models. I think it's important to realize that in California, you own the whole cycle. ARB certifies the vehicles and this equipment just checks what has already been certified. So, conceivably, if a car fails an emissions test on a regular basis, a certain year, make and model fails and emissions test, and yet doesn't have a light on, that vehicle should be recalled, because it shouldn't have been certified. So, you can go all the way back to the beginning and ARB and you can have the whole solution within your own state. EPA doesn't do any certification now. ARB does all of it for the whole country, so you really do have control of that whole process. Whereas if you do tailpipe testing and so on, then it becomes a question of the accuracy of the sensors of the equipment being used and that's always going to be in question, depending on whether it's maintained right or how accurate the test is and so on. OBD traces all the way back to the beginning in the certification process, so all OBD fault levels are certified by ARB. Load nine VIN requirement, which is a 2005 and newer requirement, eliminates a lot of clean scanning, so now when you hook up to a vehicle, the VIN is transmitted by the vehicle to the software which then tells you whether this is being plugged

into the right vehicle or not. That didn't exist up until 2005, but now does. And there's no confusion between two tests with two different answers. They are completely different kinds of test. Steve Douglas was talking about components that can set a code but not fail a vehicle. There are such components, but what those components are, are components that are installed on the vehicle strictly for the use of OBD, in other words, these components have to be checked in order to make sure that OBD works, okay. If those components fail, they aren't emissions components, but yet they will set a code. So, having a vehicle set a code and not fail a tailpipe test is not only possible, it's common. This kind of testing, OBD II only, is less expensive for motorists, the test doesn't take as long, the shops, less investment in equipment costs and the time that they take to do the test, and it's less expensive for regulators because even though there always has to be some oversight, you don't have to have the level of audit you for measurement equipment. This is not measurement equipment. It just reads whatever the vehicle has onboard. So, it can't be wrong. The vehicle could be wrong, or the certification could be wrong, but the equipment can only read the codes that are stored, that's all it can do. More convenient, so for regulators, there's less money there, too. It takes less time to perform, it takes less room in

the shop, these machines take less room. And in most cases, motorists already know if there's a problem. In other words, the light's on. So, although I know there are some downsides to that, believe it or not, because it makes it harder to tell if your program is working properly because if people are fixing their vehicles when the light comes on, regardless of what that percentage is, that's going to lower your failure rate in the shop, so in some cases that's bad because you can't track your success, but the motorist does know ahead of time when the failure takes place and if those vehicles get repaired out of cycle, it's still a plus overall. However, not moreover, however -

CHAIR WEISSER: I'm never going to live this down, am I?

MR. GORMAN: Never. OBD II can be implemented on over half of the California fleet. We got some numbers from BAR, if I'm not mistaken, that shows that nine million vehicles on the road are pre-1996 right now and over nine million vehicles on the road are OBD II '96 and newer. Since California must test older vehicles, there's no doubt about that, for the State Implementation Plan, there's no avoiding testing older vehicles. Some states have just put in OBD only and not even bothered with older vehicles. California can't get away with that, so these two testing regimes have to co-exist if you're going to an OBD II only program, and they must exist in the same testing areas, enhanced and basic.

So there's some challenges to overcome here. Some shops may object to OBD II only testing for a few reasons. Shops would be able to enter the testing business for less money than the shops already involved. This must be offset by the argument that OBD II only test stations will only be able to test half the fleet, '96 and newer, so a marketing case has to be struck here somehow that makes sense to the existing shops. Otherwise, there could be some problems. Some existing test and repair stations have argued that BAR has been chiseling away at their emissions testing business by increasing their quantity of the test-only stations. I think that's some of the things that were being talked about earlier. They may argue that OBD II only will only further erode their market share. And again, I think BAR needs to conduct some research that will assure the existing stations that there's enough remaining business to protect their investments. And existing BAR '97 equipment must be made to be 100 percent compatible with the OBD II only equipment. In other words, there needs to be a change in the software that allows either test to be performed, not just one test. So, there wouldn't be a need for new equipment if you're going to do OBD II only testing on top of the other. It needs to be compatible with the equipment that they already have. When existing BAR '97 is used for both OBD II only and BAR '97 tests, current equipment will be able to perform

more tests per day because OBD II only tests take less time. So, even in existing shops, if they upgrade their current equipment, conceivably, especially if they run a full-time business and they are always busy, they could actually perform more tests in the shop per lane than they could if they were just doing BAR ’97 test-only. And another thing about the existing - point we wanted to make is installed dynos can still be used for drive cycle designed to reset the readiness monitors, and thus extinguish the MIL light. If you don’t have a dyno, the alternative is you have to go drive the vehicle and you have to meet all the test criteria to turn off the MIL light. In this case, you could do it on your dyno whether you were doing it OBD II only or not. Change inevitably means conflict, or it can, and current shop owners will be facing some other expenses in the near future, so the timing is very important. I think, and correct me if I’m wrong, but I think right now there is new evaporative testing requirement in some areas and I think where new equipment is being purchased, there is new NOx device requirement taking the place of the NOx cell and then there’s the OBD II can device requirement that’s coming up pretty soon. Again, CAN is Controller Area Network. It’s just another protocol that EPA and CARB have added to the existing ones on new vehicles. All vehicles started using CAN on 2003 model year and everyone must be using CAN by

2008, so from 2008 beyond, there will be no other protocol on vehicles but CAN in the diagnostic link. So timing is everything and these requirements coincide with the introduction of new, less expensive equipment, it could be problematic for some shops. A clear, upgrade path that shops can agree with must be established and adhered to. I think the rules need to set early. This is where we're going, no confusion, and I think the shops will be able to absorb that more. But if they spend money now and they don't know how much money they're going to spend in the future, it makes it more and more difficult. California's new vehicle identification database, equipment companies are not very involved in the development of the new VID. It's an unknown entity that will affect new and existing equipment. We need as much information on this new VID as we can get. We don't know what the implication is right now. It might very minimal, we don't know. But the most expensive part of any I/M equipment, especially with OBD II only, is the vehicle identification database. It's what changes from every state to every state. It's the little idiosyncrasies that every state wants to have in their program, from how you communicate, how it integrates with the vehicle licensing function, all those things are completely different and writing software for those things is the most time-consuming and expensive parts of any I/M

program. Even more so with OBD II only, because the cost of everything goes down drastically. But depending on the difficulty of the communication to the State, that cost suddenly goes back up. You're never talking about that many units. This is not Microsoft selling Windows. You're never talking about that many units considering a state, but yet you are talking about a tremendous amount of work. If the new California VID is seamless and transparent, costs will stay down. If it's not, then costs can go up. It is safe to say that no other state's software can be used for California application. So you can't take any of those brochures from different states and say, we want one of those. It won't work because of the software required for communications. But it's also safe to say that existing equipment can be made to operate in an OBD II only mode, with a change in software. Something one of our members came up with, we thought it was an interesting thing we'd throw in here, although it would probably require some legislation or regulation change, OBD II only testing makes sense as a replacement for two-speed idle in change of ownership areas because it is a fairly easy test to incorporate and some of these two-speed idle machines and so on that are out there are getting very, very old. I know that we're still, in some cases, there's 286 machines, if you can imagine that, being nursed to stay alive in these

programs and anything that would kind of help replace that out with something newer or better would be helpful. It's hard to support that equipment, very hard. So current equipment can't be supported much longer and OBD II only could support more test-and-repair facilities in these areas while lowering the cost of entry into testing. We brought some examples here of what this is. The literature I passed out shows kind of a box. The reason it's a box is because security is required. You have to lock up the printer, lock up the PC. And then we also have the actual OBD part. This is the part that actually talks to vehicles and it's only this big. This is an internal one, which California would probably require because you could secure it this way. And you would plug in the vehicle cable in here and the PC would plug in here, and this just translates the signals between the vehicle protocols and PC protocols. Then the software resides on the PC, which is California specific, that would walk the guy through the test process, communicate with the vehicle identification database and so on. This is an internal example and this is an external example. Something we kind of call a lump in the cable and this is exactly the connector on the vehicle, the J1962 connector, this is the lump that translates, and then we just have another cable that goes into a PC. But everything you need to talk to these vehicles is included in this small device here. But,

like I said, I think California would probably offer the internal one. CAN, controller area network, is available. It has been for some time. Most states that are doing OBD testing have already incorporated CAN testing, but in California that hasn't happened because BAR hasn't flipped the switch that says, we're going to require it now. I think you have a five-year exclusion or grace period on new vehicles. Five is it?

MR. CARLISLE: It's six years.

MR. GORMAN: Six years. So, if you take that into consideration with the 2003 to 2008 thing I mentioned before, some of those 2003s are going to be falling in a couple years, so unless it's change of ownership, they're not being tested now anyway. That's probably the number one reason CAN isn't required in California. But, it can be done. The boxes are all available. I'm not sure if it affects the VID or not whether or not changes have to made to software to incorporate controller area network, but it certainly can be done. The cost of this equipment, again, this is a dangerous area because nobody knows what California comes up with, or any state for that matter, but in other areas that have gone with OBD II only, you're looking at street prices in the neighborhood of $6,000 to $7,000.

CHAIR WEISSER: Let me interject here. That's basically for a reader, is that correct?

MR. GORMAN: That includes a PC, it includes the reader, it includes the software, it includes the printer, it includes - in most states, they might have an evap - or a gas-cap tester on top of it. It varies. It includes the cabinet, and it includes whatever warranty is required. I think in California, is it still five years for warranty? It includes that. So, those things. And peripheral's extra, which means if you add functions like an evap test or intrusive evap test or whatever, you just add more cost to it, although I'd have to say that I think that OBD, especially now, there were some early problems with evap testing, OBD evap testing, but I have to say I think they've worked all those out and it's pretty accurate now, onboard evap test is pretty accurate. If the vehicle - if the VID software is difficult or unusually different than other states, then the price, of course, would go up significantly. That's pretty much all I have.

CHAIR WEISSER: Okay. Let's open it up for questions from Members of the Committee and we'll start with John.

MEMBER HISSERICH: The VID, once that is programmed or arranged to work for the particular state in question, the per-unit cost would not seem - the original cost of adjusting to read it would seem to be relatively high, but once you've achieved that, the per-unit cost per each item wouldn't seem to be that high.

MR. GORMAN: Well, again, the items are never that high. I could give you an example. In my day, when we were selling test equipment, we were selling equipment for $30,000 a copy, but if you looked at the thing from a build standpoint, there wasn't too much more in there than a TV, yet you could buy a TV for $600. So, you can see that the engineering costs for such a small amount of delivery really raises the price.

CHAIR WEISSER: Jeffrey?

MEMBER WILLIAMS: Nothing.

CHAIR WEISSER: You want to think about it? Well, I have a question maybe I'll toss out now and that's - I remember in the implementation of OBD originally, there were exceptions given to different components that failed. The certain number of failures were allowed, and I think it was five or seven, I can't remember.

MR. CARLISLE: Those were not failures. Those were the monitors not ready.

CHAIR WEISSER: Oh, monitors not ready.

MR. CARLISLE: Yes, and that was gradually reduced to two, so now you're allowed no more than two monitors not set to completion or readiness.

CHAIR WEISSER: Why should you be allowed any?

MR. CARLISLE: Well, the Feds actually allocated two for up to 2000, 2001 and newer were supposed to be set at one. California's never adopted that 2001 standard.

CHAIR WEISSER: Why should you be allowed any?

MR. GORMAN: I can help with that a little bit.

CHAIR WEISSER: Please.

MR. GORMAN: Actually, there was even a lawsuit over this between ARB and Toyota.

CHAIR WEISSER: And who?

MR. GORMAN: And, as an example, but Toyota said they followed the rules perfectly, which was for the evap to turn on, the vehicle had to drive a certain way. Well it was the FTP, that's the sample. So, it's the only way you could get an evap to turn off was to drive an FTP. In normal driving, you could hardly ever accomplish that, so that readiness flag never flipped. Well, CARB lost the lawsuit, so the cars still act that way.

CHAIR WEISSER: Okay.

MR. GORMAN: And there were other examples. Sometimes the recalls just don't outweigh what you would gain by making them recall. And there was some pushing and shoving there and some compromises. But every year it's gotten tougher and I don't when they're going to go to zero, but I don't think it's too far down the pike, because now everybody knows, you know, after you learn your lessons, everybody

pretty much knows what you have to do to get evap to work right.

CHAIR WEISSER: You described a new system, I think what you said started in 2005, but prevents hooking up the tester to vehicle A, but claiming that it was tested on vehicle B. That's only for 2005 and newer model years?

MR. GORMAN: Well, it always has been what they call a mode nine, which includes VIN as one of the things it sends over the line, but it wasn't required to send VIN. And now from 2005 on, it is.

CHAIR WEISSER: For 2005 model year cars?

MR. GORMAN: And newer, right.

CHAIR WEISSER: And but the -

MR. GORMAN: The older ones do it as well.

CHAIR WEISSER: Some do, but some don't. Do you have relative statistics associated with the accuracy of OBD testing versus tailpipe testing?

MR. GORMAN: The only statistics I've seen, there's been a couple of - I think University of Colorado might have done one, but the one that like to refer to is the study that was done by Ed Gardetto (phonetic) the EPA or high-mileage study on OBD II versus - and they use I/M 240 lab grade as the judge on the accuracy. That study's available and I can't remember how many cars they tested, but each vehicle went well over 100,000 miles, and then they tested for that.

Again, I don’t have exact statistics, but the failures were predictable. There are certain years and models that have problems that both EPA and ARB have decided, we’ll let it slide or they’ve already fined them or something.

CHAIR WEISSER: How old is this study?

MR. GORMAN: The study was released last year.

CHAIR WEISSER: Rocky, if you could get maybe an e-file on that and send it out, I’d be interested in - I’d like to get a better feeling of the analysis of the relative accuracy of both tailpipe testing versus OBD. Roger, did you have a comment?

MEMBER NICKEY: Well, mine’s always the same. What do you do about visual and functional where half of the failures are right now?

MR. GORMAN: Well, that’s part of the software. Right now, I think the way it comes up is it comes up on a screen and says, do a visual test, is there anything wrong, what things need to be tested, is the catalytic converter there, has there been any vacuum hoses removed that you can visually see. Those can remain. Those are things that you could keep on the test screen. These things all come with test screens and as long as it’s a requirement of the software, it can continue to do that.

MEMBER NICKEY: Well, then my next question would be, if we’re still going to do visual and functional, we’re still going

to do OBD II download, drive cycle only takes two minutes. Why eliminate that when it's kind of like trust or verify.

MR. GORMAN: Okay, you mean the BAR '97 test? Is that what you mean?

MEMBER NICKEY: Yes, when you're doing an actual tailpipe test, because you're doing everything else but that now.

MR. GORMAN: The only thing I'm very confident of is that OBD II tests are more accurate than BAR '97 tests. That's the only thing I'm really confident about and you're testing a good system with a lesser system and that is dangerous. In my opinion, that's how you get the public to not believe in the test.

MEMBER NICKEY: Your not replacing it, you're just adding it on.

MR. GORMAN: Well, to what? If it says it fails, do you fail it then, even though it said it passed on the OBD and the visual.

MEMBER NICKEY: If my heart tests out okay and I die, my heart was fine, but I'm still dead. Maybe I'm belaboring a point, but you can have everything fine the way it is, but is what's coming out the tailpipe is still not right, then you still should have a failure. Am I going off the deep end here?

MR. GORMAN: Again, there are certain driving conditions. What are you using as your basis or your standard? And BAR '97 is not anybody's standard. I/M 240 can be, the FTP can be,

but BAR ’97 is not anyone’s base standard. It is possible to high-emitting tailpipe numbers even though you have a clean car. Whatever that condition you’re in right there, and it’s also possible for it to be inaccurate. We make it, so we know these things aren’t always 100 accurate.

MEMBER NICKEY: That’s just an approach from a different angle. If all we’re going to eliminate is the tailpipe test, then where is your time savings and where is the savings for the customer and where is the savings for the shop. It’s going to be almost exactly the same amount of time involved.

MR. GORMAN: BAR ’97 equipment, the last time I checked, was $35,000, something like that and I just said this is $6,000 to 7,000.

MEMBER NICKEY: But do we achieve the same results? I’m still not sold on that.

CHAIR WEISSER: I’d like to see some data in just that regard. I just don’t know what the answer is. I’m sure the BAR folks will update us when they give us their presentation.

MR. GORMAN: I think we’re behind this. Some things are steam rollers, they’re inevitable, and this seems to be one of those things where we think that this kind of testing for the future just makes sense. We make both kinds of equipment, but we found that we have fewer problems with OBD equipment and it is less expensive. We can satisfy the

customer better and for that reason, we're kind of behind that.

CHAIR WEISSER: Have any states to your knowledge done what you're suggesting so far? Have they gone completely to OBD II only?

MR. GORMAN: Yes.

CHAIR WEISSER: Which one?

MR. GORMAN: Upstate New York, not in the lower -

CHAIR WEISSER: Not in the metropolitan areas, but the -

MR. GORMAN: Right, because they're still doing kind of like an ASM, but it's through a drive cycle. They actually do like a simulated - an RG 240, I think they call it. But Upstate New York is all OBD only. The additional counties that added in Pennsylvania are OBD only and they -

CHAIR WEISSER: Excuse me, additional counties?

MR. GORMAN: Well, we added counties to the testing area.

CHAIR WEISSER: Oh, okay, I see what you mean.

MR. GORMAN: But they will be phasing out the ASM test in the Philadelphia area. They actually have a phase-out period where it will be all OBD in the future. But remember, it is different in the East simply because cars don't get retired. If no other way, they just turn into dust.

CHAIR WEISSER: Right. They rust out.

MR. GORMAN: And so we don't have as many problems with older vehicles that have to continue - the fleet isn't as old.

CHAIR WEISSER: What about other countries, are other countries moving to OBD only?

MR. GORMAN: Very few countries actually do the type of a test that's hooked to a VID, if you will. It's all on the honor system more than anything else. They have machines, but it might just be a four-gas analyzer and then they just right down passed. It's more on the honor system than it is here.

CHAIR WEISSER: Is that because we're less trustworthy? What's going on here?

MR. GORMAN: Well, I think -

CHAIR WEISSER: I don't need an answer to that question.

MR. GORMAN: I have no idea why, but I know in Germany they don't understand why we're having so much trouble with OBD II because as they say, it works perfectly here, but all they do is take anybody's scan tool and plug it into any vehicle and the guy just writes down pass or fail. How would you ever know? Here it has to work, it actually has to work automatically. It has to identify the vehicle automatically, it has to talk to the State automatically. It's a completely different ballgame.

CHAIR WEISSER: Jeffrey?

MEMBER WILLIAMS: What does this type of testing say about the frequency of the test, biennial, annual, not bother with the first six years? Those issues seem to me to be related.

MR. GORMAN: I don't know. Well, California has decided that a vehicle - you don't get many points - maybe it was EPA that decided, I don't know. But, somebody decided that it's okay to let them slide for six years when they're new and there is some statistics that bear that out. Now, after that point, we have seen graphs that show, for example, a lot of the companies that I work for need to know what cars are breaking. Because that's going to affect who you sell to and how many tools you sell. It also affects what software you put into your tools based on where the market is. What we find is that there's like a five-year bell curve where you don't see very many repairs in the early days. And it's not just warranty. Warranty has very little to do with it, actually. Then after that, when a car gets about 5, 6, 7 years old, they're at a peak. And after that they start leaving the fleet. So you have this large lump of vehicle repairs so in some ways, you could probably draw the same conclusions to reduction tonnage because if they leave the fleet, they leave the fleet, right? So, they're also not polluting, so you could make some correlation there that, well, right around that 5, 6, 7, 8 year mark might be the most important time to test them to see if they're clean because they're going to have the biggest contribution to the fleet, plus in that time they really break.

CHAIR WEISSER: Bruce? Robert?

MR. PEARMAN: No.
MEMBER WILLIAMS: I'll try another one.
CHAIR WEISSER: Please.
MEMBER WILLIAMS: The pictures you show, and you emphasize to have a computer, I don't quite understand why this isn't all centrally hooked up to some larger server or something -
CHAIR WEISSER: Why you just don't have a data port.
MEMBER WILLIAMS: Yes, thank you. That's better than I would say it.
MR. GORMAN: Again, I think that that's certainly possible. Every state guards this database. That's where all the differences between states are and how you communicate with the State and so on. It would make sense to us at some point for everybody to just put an Ethernet connection on the vehicle, hook it directly into a PC and the World Wide Web, and then do everything through Java applications. The State could have the application. But, we don't make those decisions, we just make the equipment based on the specifications. But that would make sense to us.
CHAIR WEISSER: Any further questions? Mr. Carlisle?
MR. CARLISLE: I just wanted to shed some light on something. First of all, you mentioned if there's any other states doing this. Currently, there's 28 states that do OBD only testing -
CHAIR WEISSER: Oh.

MR. CARLISLE: - on vehicles for I/M programs. The other thing to respond to is -

CHAIR WEISSER: Do you have a list of those states? Could you give us a list of those states sometime?

MR. CARLISLE: Yes, I have that.

CHAIR WEISSER: I'd like to - 28 states, wow.

MR. CARLISLE: Right.

CHAIR WEISSER: Are any of them like Texas or -

MR. GORMAN: Yes.

MR. CARLISLE: Yes. Texas, Oregon, New York, I forget all of them, but there's a number of them.

CHAIR WEISSER: And they do not do tailpipe testing?

MR. CARLISLE: No, not on '96 and newer. And as far as functional tests, in the calendar year 2005, functional tests, the visual tests accounted for 1.7 percent of the failures and functional tests accounted for 7.9, but some of those functional tests would have been the OBD II functional test, checking for the monitor status.

CHAIR WEISSER: Give me an example.

MR. CARLISLE: For example, if you had a vehicle that failed to complete the fuel evap monitor and one, maybe two, other monitors weren't run to completion, it would fail the functional test component of the Smog Check, so even though it shows 7.9, a portion of those would be caught, in fact, by the OBD only test.

CHAIR WEISSER: Very interesting. Roger, I saw your eyebrows go up at the 1.7 figure.
MR. CARLISLE: Let me give you the data, you now have it.
CHAIR WEISSER: Oh, that makes it really clear. Put that up on the screen so they know.
MR. CARLISLE: Let me highlight this here.
CHAIR WEISSER: Please.
MR. CARLISLE: Right here is the total visual failure. The next one to the left -
CHAIR WEISSER: I have no idea what you're talking about. Can you put it up on the screen so the audience can see this?
MR. CARLISLE: It's coming.
CHAIR WEISSER: Okay, so let's take a deep breath and let it get up there.
MR. CARLISLE: Okay, where I have the arrow there -
CHAIR WEISSER: Okay, got it.
MR. CARLISLE: Right there?
CHAIR WEISSER: Yes.
MR. CARLISLE: Those are the visual failures for the year, average.
CHAIR WEISSER: Okay.
MR. CARLISLE: This one is the functional failures.
CHAIR WEISSER: What's a functional failure.
MR. CARLISLE: For example, gas cap -
CHAIR WEISSER: Gas cap, okay.

MR. GORMAN: Timing.
MALE: EGR functional check.
MR. CARLISLE: Which is not normally required, though, on an ASM test.
MR. NICKEY: Well, it's required on cars that you can't ASM, right?
MR. CARLISLE: Correct.
MR. NICKEY: Non-disengagable traction control, all-wheel drive.
MR. CARLISLE: And then that last figure I showed you with the arrow is the average fail rate period.
CHAIR WEISSER: The 14.5?
MR. CARLISLE: Yes. And that's for calendar year 2005.
MR. NICKEY: That's why my eyebrows were at the 1.7, it threw me off, but if you see the total failure rate, you're right. The total failure rate is 14.5 percent.
MR. CARLISLE: Correct.
MR. NICKEY: And that's for everything, all the way back to - what's the top of the column?
MR. CARLISLE: 1976.
MR. NICKEY: Okay, so that goes back to everything we test, so out of that you've got 7.9, 8.9 9 - something, for visual functional.
MR. CARLISLE: Actually, it's (overlapping) -
MR. NICKEY: So it's actually more than half of the failures as visual and functional.

CHAIR WEISSER: Go back up to the top again. So, 9.6 percent in 2005 failed because of tailpipe emissions, is that correct?

MR. CARLISLE: Yes.

MR. NICKEY: So, it's just about even with tailpipe to visual and functional. You lose all visual and functional when you go -

CHAIR WEISSER: No, not necessarily. You can certainly add those -

MR. CARLISLE: No, a lot of the functional - a considerable number or percentage of the functional is OBD related.

CHAIR WEISSER: Can you send this out to the Committee, this chart?

MR. CARLISLE: Yes.

CHAIR WEISSER: It gives me a sense of proportion that I didn't have before. Very good.

MEMBER NICKEY: Do you have the figure on how many tailpipe failures we have without MIL or code set on OBD vehicles?

MR. CARLISLE: We can probably get it, but I think there's a study that's already been done and I've got to check with ARB.

MEMBER NICKEY: I've been trying to get that information for a very long time and I just keep getting stonewalled.

CHAIR WEISSER: Well, now you can use their public records request process.

MR. CARLISLE: There you go. The problem is, they'll give you the data, but you'll have a tough time doing the analysis. That's the difficult part and later on, once we get through some of the things we're working with Jeffrey on, provided he decides to stick around for a while, we would like to also do that same thing because we have the data to do that, there's just a lot of work to actually get that data.

CHAIR WEISSER: Okay. Any further questions from Members of the Committee? Let's see if there are any questions or comments from members of the audience. We'll start with Mr. Rice.

MR. RICE: Bud Rice, Quality Tune-Up Shops. Just in terms of a quick comment, I was looking at some of the numbers for cost and if I could ask, Rocky, do you have any idea what the average testing facility does a month?

MR. CARLISLE: Well, if I had a calculator, I could easily figure it out here.

MR. RICE: Yes, I don't care if it's test-only or test-and-repair. What's the average location test.

MR. CARLISLE: The last time I looked it was 57 tests a month, I believe, is what it works out to.

MR. RICE: If you were to sit there - and let's accept those numbers for a minute, what I did is I did some fast number in that 240, which is five times or whatever that amount that you're talking about. At 240, and if the average cost was around $30 per test, I know some guys are higher, some

guys are lower, Roger, you can sanity-check me here if you'd like, but it's around $7,200 worth of testing income that you're getting for 270 tests, $30 per test. The mechanic might cost you $4,000. By the time that you do the new pieces of equipment that we have up here in terms of what was just being talked about and the evap tester, you're going to have around $416 worth of monthly cost involved with that. We're still paying off our BAR '97 equipment, we've got another year or so to go, that's around $1,100 a month. My point is, by the time you factor all those costs in, you've got around $5,500 of hard costs going against $7,200 worth of income coming in and that's at 240 tests. If you drop it down to 56 or 54, why would anybody do this still?

MR. GORMAN: Well, your 240 number is including test-only and test-and-repair. They're widely different. The average for test-and-repair is about 50 tests a month. Your average for test-only is about 300 tests a month. But test-and-repair can support themselves with other things, where test-only can only support itself with the testing.

MR. RICE: Right, but what I'm talking about is, if you want to go invest in another $10,000 worth of equipment by the time you add them both up, and then you put any kind of a cost structure against that $10,000, industry is going to have a hard time making sense of anything.

MR. GORMAN: I agree with that one 100 percent. You're absolutely right there.

CHAIR WEISSER: And I think that's the fundamental point. The numbers that are tossed out I don't think are the key. It's the questions associated with the costs to the station owners and the costs that would be passed onto the public on the impact on station owners and the impact on the public and I appreciate the input. I will take that as a generic comment of concern, rather than a specific example.

MR. GORMAN: I would just like to say, though -

CHAIR WEISSER: Please.

MR. GORMAN: - existing BAR '97, we're suggesting that there would only be a software change, there is no hardware that they wouldn't have to buy. Like a controller area network upgrade, you know, you have to do that anyway. So there really isn't any new hardware.

CHAIR WEISSER: Are you having discussions with the Bureau or ARB on implementing your ideas associated with this?

MR. GORMAN: No, I'm not, personally. My members might be.

CHAIR WEISSER: Might be. Okay, well, maybe there could be some light shed on that, if not this month, then in June. Bruce? Do you want to do it now or do you want to wait? Okay.

MR. CONWAY: John Conway, Menlo Park Chevron and president of Casara. I just want to echo Bud Rice's sentiments. I'm not prepared to make another investment into the Smog Check

Program until the current economic climate of the Smog Check Program is fixed through redirection of vehicles or whatever it takes to fix it economically. And then I have a question. If we go to OBD II and we have BAR ’97, are we going to talk - because it’s going to take less time to do an OBD II test, are we going to talk two-tier pricing here for the customers to add some more confusion to all of this? I think the customers are confused enough and we if throw in two types of pricing with the Smog Check Program, it’s just going to wreak havoc. Thank you.

CHAIR WEISSER: Thank you. Robert?

MR. PEARMAN: A question for Rocky, if he knows or can find out. When he mentioned that other states have the OBD II and at least in some of them, it only starts from a certain year going forward, do you know whether by law or by the marketplace there’s a segmentation if some shops do both and they have the equipment to do the older ones with more standard testing or some just opt for OBD II only going forward?

MR. CARLISLE: I’ll have to check on that. Some of the states only do ’96 and newer. I’ll check on that because there’s a lot of differences.

CHAIR WEISSER: Any further comments from the audience? Mr. Peters?

MR. PETERS: Mr. Chairman, Charlie Peters, Clean Air Performance Professionals, representing a coalition of motorists. Addressing an interesting issue, which basically comes down to technology versus people. I think I've said something about that in the past and when we just have names of technology that anybody who's warm doesn't necessary have to be able to shift a standard shift car has no knowledge of automotive repair at all, you can go plug this thing in and big brother's going to test the car and determine what's going on and assuming that the people that provide the customer service, whether or not the car's being repaired, looking at the issues that have to do with people, seem to be disregarded. So far, the State of California has said that the people involved in this process are important, at least to an extent. And I feel that they are absolutely important as to where we're going to go, as to how the public is going to pursue this and what's going to happen. Following the other states, many of which have already gone here, just having dumb people who can plug in where they're told and push a button and this is the basis for our system, to me is really completely eliminating the most important technology involved here, which is the people that serving the public in automotive service and technology solutions that disregard the stuff between people's ears, I don't personally believe is appropriate kinds of service in

California to take us to where we potentially can be. So, that's just my concern, this is my dumb opinion, that I would significantly encourage California to do a comprehensive program incorporating in our current equipment, additional technology if that's appropriate and set standards that are going to be much more comprehensive that are going to have oversight to see that what's broken gets fixed and to see that the people that provide this service are being utilized in ways that will better serve the public and create better quality and better results, I think probably a significant percentage of the public would like better ethics, better service, better results from their automotive service experience and I certainly support that position, so I just thought I'd share my opinion again, sir. Thank you.

CHAIR WEISSER: Thank you, Mr. Peters. Are there any other comments? Very good. I want to thank you very much for the presentation. My suspicion is that we will be talking about this many times in months and years to come. Of course, I do think that we are going to end up with - this is just me personally thinking, doing what Charlie just did - is a system that is quite a hybrid approach that is going to involve onboard diagnostics, it's going to involve some element of traditional I/M testing, ASM testing, and it's going to involve remote sensing. I don't see this world in

either/or kind of vies in the long run. I think the important questions that you've raised that I need to consider and I'd urge Members of the Committee to consider, is the sorts of transitions that are going to be necessary to have this sort of integrated approach, which I believe we are moving toward. Because, I think that's a very, very difficult issue. It's difficult for consumers, as you pointed out, it's difficult for service stations, both test-and-repair and test-only, to stay in business and it's going to be difficult for the regulatory apparatus. I think we're faced with some tremendous opportunities put forward by technology, but there's also tremendous challenges that - to try to develop a system that works for people, and I do think people are a crucial element in all of this. I don't think you have any great chance of success trying to design a system where you're dealing with millions and millions of vehicles that happen to be owned by people if you don't factor in the people, a portion of the equation, all the way through. I really appreciate you taking the time. I sense we'll be seeing you and your fellows more often in the future. Thank you. And with that, I think it's time to move to the Agency report. I would like first the representatives from the Air Resources Board to come up. Is there nobody from the Air Resources Board here? In the absence of the Air Resources Board, I'd like to ask anyone

from the Bureau of Automotive Repair to come up and share with us their thoughts about everything they've heard today and everything that's gone on in the last month and why they Oakland As aren't hitting.

- o0o -

MR. COPPAGE: Good afternoon Mr. Chairman and Committee, Alan Coppage, Bureau of Automotive Repair. I'll be brief today. I don't think we have time to talk about anything, including why the baseball team isn't hitting. I wanted to briefly share about the recently completed evaporative workshop that we shared, executive officer Carlisle spoke of this earlier today. Some of this will be a reiteration of that, but I hope to shed a little bit of additional light on that. As he said, we conducted three workshops around the state. The 8th of April we were here, on the 18th we were in El Monte at Air Resources Board, and on the 20th in Pleasanton. Those workshops were very well attended, as Rocky said. We were very pleased with the turn-out. A lot of folks showed up to express their opinions regarding evap. We received some very good input from all members of the industry and all interested parties that showed up and shared. We gave opportunity for public comment after a PowerPoint presentation, of which is it available, I believe, on the Air Resources Board web page, that PowerPoint Presentation, is that correct?

CHAIR WEISSER: Could you email us the URL for that? The website address for that? Thank you.

MR. COPPAGE: During that workshop, we offered the opportunity for written comments, we encouraged written comments to be submitted and we offered a mail-in address for those written comments to be received and they will be received through the 15th of May and at that point, BAR will analyze input and we'll be answering questions and we will be producing a workshop report so you will have something that will be summarizing the totality of what took place and shedding more light on the dynamic of what happened there. That will be disseminated to the industry so that everyone will know what took place. And that report will also shed light on the next steps that the Bureau and the Air Resources Board will take in the ongoing process of low-pressure evaporative system testing. So that's pretty much it. As far as the questions you spoke about earlier -

CHAIR WEISSER: Yes.

MR. COPPAGE: - some of the information for repair costs and failure percentages and some of that prediction, that web page that has the PowerPoint presentation, that information is contained in there. It doesn't necessarily draw conclusions about what's to be expected as far as my shop will get this many failures and this is the amount of money I can make, that ground wasn't covered. However, you can

interpret from the PowerPoint presentation what the numbers are predicted to be statewide.

CHAIR WEISSER: You had three of these meeting?

MR. COPPAGE: Yes.

CHAIR WEISSER: And about how many folks were - how many folks attended?

MR. COPPAGE: We were next door on the 8th of April, we had a very well attended meeting.

CHAIR WEISSER: Twenty people, what?

MR. COPPAGE: Probably pushing 80 industry people.

CHAIR WEISSER: Good, that's great.

MR. COPPAGE: Down in El Monte at the Air Resources Board, I believe we had right at 140 people.

CHAIR WEISSER: Wow.

MR. COPPAGE: In Pleasanton, while I didn't attend there, it was well-attended as well, and I do not have an estimated number.

CHAIR WEISSER: That's terrific. Hopefully you'll get a lot of good input.

MR. COPPAGE: And when I say very well attended, it was. El Monte, the room was full of a lot of people.

CHAIR WEISSER: That in and of itself kind of gives you an indication of some level of concern.

MR. COPPAGE: It's refreshing, yes, it was nice to see a good representation from the industry there. And again, this

precedes the potential administrative regulatory process because that public comment section is always part of that. This precedes that in an effort to do the best we can with information from as many sources as we can glean it from.

CHAIR WEISSER: Well, I applaud the process that you're following, Alan. Thank you.

MR. COPPAGE: Your welcome.

CHAIR WEISSER: Anything further that you want to share with us?

MR. COPPAGE: Not really. I didn't receive any formal requests from the executive officer asking for specifics.

CHAIR WEISSER: You guys did that reorganization thing, I heard you have a new deputy chief kind of position that's been established?

MR. COPPAGE: I believe we have an assistant chief.

CHAIR WEISSER: Assistant chief, what's the role of that person?

MR. COPPAGE: At this point, I don't really have a definition that I can give you. That person reports directly to Chief Ross, he's his assistant, and that's pretty much all I can give you.

CHAIR WEISSER: Has the position been filled?

MR. COPPAGE: I believe, so, yes. I don't even have a name. I was out of the office in Southern California doing evap and then I took a couple days' vacation, so I've been out for almost a week.

CHAIR WEISSER: That's great.

MR. COPPAGE: Yes, it was nice.
CHAIR WEISSER: Okay, any questions or comments? Robert?
MEMBER PEARMAN: Isn't the Bureau and ARB working on some remote sensing program and what's the status of that?
MR. COPPAGE: Remote sensing is continuing. We have roadside teams out, I believe, as we speak. Well, not necessarily today, but we have them out actually doing roadside sensing.
CHAIR WEISSER: I think there's -
MR. COPPAGE: I don't have anything specific off the top of my head as to exactly where it stands.
CHAIR WEISSER: Would you let us know in our next meeting what the status is of the study that ARB and you are doing on remote sensing, because that testing is going on, but it's in the context of a study, as I understand it. In that regard, Rocky, it might be wise, or a good idea, for you to contact Dean Saito at South Coast to see whether it's timely for us to get a presentation from South Coast as to various remote sensing as the principle vehicle for identification of cars to scrap. Just to keep us up to speed. It may be need a personal presentation, maybe there's some written update that he already has that he could share with us. I think Members of the Committee are interested in that. Anything further? Excellent. Thanks very much, Alan.
MR. COPPAGE: Thank you.

CHAIR WEISSER: At this point in time, I'd like to open the floor up to anyone from the public that has anything they would like to share with us on any issues, other than the inexplicable lack of hitting of the Oakland As.

- o0o -

MR. CARLISLE: Mr. Chairman, I do have that list also of OBD II states, if you want it.

CHAIR WEISSER: Yes, if you could email it.

MR. CONWAY: I take it this is public comment statements?

CHAIR WEISSER: You got it, yes sir.

MR. CONWAY: John Conway, Menlo Park Chevron, president of Casara. I just want to reiterate the great job that Dr. Jeffrey Williams in last month's meeting with the data that he came up with. I'm sure he's spent a lot of work and effort on that and I would not like to see this go away and I hope that this does find its way into the letter to Shirley Horton because he had some valuable data there that I think needs to be in Shirley's letter. Thank you.

CHAIR WEISSER: Thank you. To be honest with you, I think we're not there in terms of including that data in the letter, but that data will not die. It was a very, very eye-opening presentation that got all of our attention.

MR. CONWAY: Well, I agree. It needs to be put to good use.

CHAIR WEISSER: Yes.

MR. CONWAY: So his efforts are not lost.

CHAIR WEISSER: They are not going to be lost. This guy's been one of the most valuable things that's happened to the State of California in this program area, in my mind. Other public comments? Mr. Peters?

MR. PETERS: Mr. Chairman, the Committee, we're certainly in an interesting time in this country and in this world today. It's going to be very interesting to see what tomorrow looks like. We're here with election right around the corner, with an awful lot of absolutely fascinating considerations as to what we're going to do and where we're going to go and I really think that the issue is about people and whether people matter or not is going to have an awful lot to do determining what our tomorrow is going to look like and this Committee and the people on this Committee are really special, important people setting policies that are affecting California's motorists, California in general, this country, and very possibly the world. So, technology is really fun stuff, but unless we treat people respectfully, maybe tomorrow's not going to be as good as it could be. You, Mr. Weisser have had a long and very lustrous career and I would petition you and the Committee to give some really serious personal consideration to possibilities, can we do things more respectfully and get a better result and I think those little kinds of decisions

here and there may make a huge difference on the future of this country and this world. Thank you.

CHAIR WEISSER: Thank you, Mr. Peters. Bud?

MR. RICE: Bud Rice, Quality Tune-Up Shops. Sometimes this seems as though we kind of dance around this subject a little bit and I don't know that aside from it getting talked about a little bit, if it isn't really given it's fair day in court and that has to do with what the true impact to industry has been with some of the decisions that get made in terms of what happens to the Smog Check Program. A lot of times the comments I hear back are, well, we have to be cognoscente of the fact that this could affect industry or, yes, this thing might affect industry. And we have to think about that if we're going to have another piece of equipment on here. But there really isn't any kind of in-depth analysis laid out saying, here's where we were and here's what's happened to these guys over this time and here's how these decisions have impacted them over time and now we're talking about this decision and how does that impact these guys. It just seems like this is a ping-pong game going back and forth with small segments of comments, but not a real in-depth analysis as to what has really happened. Because it's ugly, it is ugly. That's my comment. Thank you.

CHAIR WEISSER: Well, thanks, Bud. I would say in passing that I think this Committee has to look toward BAR and toward the associations that represent both test-only and test-and-repair. That's part of the job of my good friend, Dennis, and my good friend Randy Ward, neither of whom are here today, is to try to collect that information, organize it and put it forward in a way that not just this Committee, but BAR and ARB understand. I think it's part of the job of BAR and ARB to also dig for that data to do an assessment and I think they try to do that. I do. The worst thing, I think, we can do is to pretend that we're going to look at something and pretend that we're going to consider something when we're not. And I, personally, and I think I speak for every single member on this Committee, don't believe that's the case. I think we owe it to the stakeholders to address that issue. It's a terribly important issue. We built it into our mission when we first - this new Committee was first put together. I think we try to take it serious. I appreciate your comment. Okay, are there any other comments? Well, ladies and gentlemen, I want to thank you for your time today and I look forward to seeing you all in June and I am looking forward to sharing a wonderful Spring if it ever arrives with each and every one of you. And with that, we'll call the meeting adjourned. Thank you.

- MEETING ADJOURNED -

TRANSCRIBER'S CERTIFICATION

This is to certify that I, TERRI O'BRIEN, transcribed the tape-recorded public hearing of the Bureau of Automotive Repair dated April 25, 2006; that the pages numbered 1 through 132 constitute said transcript; that the same is a complete and accurate transcription of the aforesaid to the best of my ability.

Dated May 3, 2006.

_____

Terri O'Brien, Transcriber
Foothill Transcription